Entrepreneurial Achievement Motivation, Self-efficacy and Strategic Change: A Multiple Mediation Analysis

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Abstract

Though the existing literature sheds light on the relationship between individual achievement motivation and positive behavior, little is known of the mechanisms in entrepreneurs. In order to explore how entrepreneurs, initiate strategic change in an organization, we constructed a theoretical model of entrepreneurial achievement motivation, self-efficacy, social capital, and strategic change based on the theory of self-efficacy and behavior strategy. We surveyed 149 entrepreneurs from Chinese companies in the catering trade. The study found that entrepreneurs with high achievement motivation build more extensive social capital which can influence their self-efficacy. The study also found that self-efficacy mediates the relationship between achievement motivation and strategic change, whilst social capital mediates the relationship between achievement motivation and self-efficacy. It is recommended that entrepreneurs should make use of achievement motivation, maximize their social capital, and further improve their sense of self-efficacy to initiate strategic change.

Keywords: Achievement Motivation, Self-Efficacy, Social Capital, Strategic Change.

1. INTRODUCTION

Early psychological research pointed out that individual achievement motivation has positive effects on behavior; especially, that the job seeker’s achievement motivation has positive effects on career success (Seibert et al., 1999; Heckhausen, 2013). Individual achievement motivation and self-efficacy can promote stable psychology in the process of behavior and adaptation to environmental change (Vancouver et al., 2001). Achievement motivation theories attempt to explain a person’s choice of achievement tasks, persistence in those tasks, vigor in carrying them out, and performance (Zhang, 2003; Deshpande et al., 2013).

The literature has pointed out that achievement motivation is a unique individual psychological trait and one of the important characteristics of successful entrepreneurs (Germak and Robinson, 2014). Entrepreneurs are the people who can change the internal structure of the economy constantly, destroy the old mode of production and realize the recombination of production factors. Entrepreneurs make decisions and take actions in the face of an uncertain environment and realize existing opportunities that have remained previously unnoticed (Kirzner, 1982; Jayeoba et al., 2013). Strategic change is defined as absolute change in diversification change of the corporation (Kash et al., 2014). Initiating strategic change is based on entrepreneurs’ perceptions of opportunities (Tushman and Romanelli, 1985). Entrepreneurs must be proactive in overcoming inertia if they initiate strategic change (Wiersma, 1992). Collins, Hanges and Locke (2004) indicated that achievement motivation is significantly correlated with both the choice of an entrepreneurial career and entrepreneurial performance.

The literature points out that there are significant differences in a manager’s emotional intelligence, self-efficacy, and achievement motivation when their managerial ranks, management fields, and the locations of their enterprises are considered (Yang, 2007). Self-efficacy is an important mediator of the process of achievement motivation (Moradi, 2013). Efficacious entrepreneurs should feel more confident in achievement situations and handle anxieties better.

In addition, strategic change is the process of the reallocation of scarce resources (Wang and Zhao, 2014). Social networks are rich in various types of resources and opportunities. Entrepreneurs who have high social capital can abundantly allocate resources, especially scarce resources (Hmieleski et al., 2015).
There is no comprehensive study that investigates these variables. The purpose of this research was to empirically examine an individual's disposition toward proactive behavior, and the relationship between achievement motivation and strategic change. We expanded on the theory of achievement motivation and behavior strategy. We also expanded on the relationships between entrepreneurial psychology, resources, and strategic change.

2. THEORY AND HYPOTHESES

2.1 Achievement motivation and strategic change

Motivation is viewed as the drive and persistence needed to achieve targets. It is an important foundation to achieve planning, organizational, and policy-making skills. Also, it is the basis for learning and assessment in cognitive behaviors (Pintrich and Schunk, 1996). Lee and Liu (2009) indicated achievement is competitive and positively related to work outcomes. Achievement motivation, which maximizes the pursuit of individual value, is an internal driving force. It is a long-term state which can directly affect the individual's cognitive style and behavior.

The individual with high achievement motivation is relatively unconstrained by situational forces and the effects of environmental changes. In order to get a sense of personal accomplishment, entrepreneurs seek to overcome resistance and solve problems in the process of strategic change. Entrepreneurs are more likely to understand the contingencies in their environments and anticipate changes. They are more likely to engage in strategic change activities such as seeking information, obtaining support and sponsorship, conducting planning, and persisting in the face of obstacles. Entrepreneurs with less achievement motivation who are passive and reactive tend to adapt to circumstances rather than change them.

Past research has demonstrated that a proactive personality is related to several behavioral outcomes from interactional psychology (Seibert et al., 1999). Thus, we propose:

Hypothesis 1: Entrepreneurial achievement motivation is positively related to strategic change.

2.2 The mediating role of entrepreneurial self-efficacy

Achievement motivation can stimulate other internal psychological factors. Bandura (Bandura, 1977) pointed out that it is not enough for people to rely on their willpower to carry out an action. He showed that self-efficacy is the confidence or belief that the individual has to achieve specific goals in their field. Self-efficacy can influence choice of activities (Bandura, 1977). Self-efficacy can affect effort expenditure and task persistence, and can also have emotional effects (Bandura et al., 1982).

Entrepreneurial self-efficacy is the individual’s belief in their ability to successfully perform the tasks and the role of entrepreneurs. Previous studies indicate that an entrepreneur’s self-efficacy encourages the entrepreneur to strongly devote himself to his goals (De Clercq et al., 2009) and is positively related to risk preference (Barbosa et al., 2007).

The literature indicates entrepreneurs with a high demand for achievement like to compete with standards of excellence and prefer to be personally responsible for their own tasks (Longenecker et al., 2000). The present article outlines a theoretical framework, in which the concept of entrepreneurial self-efficacy is assigned a central role, for analyzing the relationship between achievement motivation and strategic change (Boyd and Vozikis, 1994; Mueller and Dato-on, 2013). Thus, we propose:

Hypothesis 2: Entrepreneurs’ self-efficacy mediates the relationship between entrepreneurial achievement motivation and strategic change.

2.3 Achievement motivation and social capital

During the process of entry into a new organizational environment, individual proactivity attempts to expand and consolidate social integration, becoming involved in social relationships with proactive socialization strategy (Ashford and Black, 1996). The entrepreneurs with high achievement motivation have stronger
initiatives, so they overcome more resistance, construct their own social network more proactively, and reinforce their social capital (Begley and Boyd, 1987). The entrepreneurs with high achievement motivation are more willing to put effort into building up an essential and complex external social network and maintaining the development of such relationship networks; therefore, they not only acquire more scarce but significant resources, but also reduce obstructions during the deployment and mobilization of resources. As a result, their social relationships fail to bring them any advantages in terms of social resources. In summary, we propose:

Hypothesis 3: Entrepreneurial achievement motivation is positively related to social capital.

2.4 The mediating role of social capital

Entrepreneurs who have a high level of trust with members of relational networks find it easy to establish good communication channels and cooperative relationships with stakeholders. Therefore, strategic change activities will be supported by shareholders, employees, government, and so on. The reduction of uncertainty helps to improve the likelihood of strategic change initiation. It enhances the confidence of entrepreneurs to initiate strategic change; that is, to enhance the sense of entrepreneurial self-efficacy.

Gedajlovic (2013) proposed that successful entrepreneurs might rely on their access to resources on the basis of social network theory. Entrepreneurs can access a wide range of resources which are valuable for them to achieve success from a large social capital. In summary, we propose:

Hypothesis 4: Entrepreneurs’ Social capital mediates the relationship between entrepreneurial achievement motivation and self-efficacy.

Figure 1 shows the relationship among variables.

![Figure 1. Theoretical model](image)

3. METHODS

3.1 Participants and Procedure

The research background of this paper is the new anti-smoking campaign to ensure the implementation of ‘public health management regulations’ that were promulgated on May 1, 2011, and set up a complete ban on smoking in public places. Schools, hospitals and government offices have been implemented the regulations. However, it is difficult to ban smoking in the catering trade.

With the ban being elevated from rules to government regulations, it means new requirements in public places including catering enterprises. Entrepreneurs face multiple pressures from the government regulations, the public concern on the harms of smoking, and the entrepreneur’s own benefits. Facing the institutional pressure, different entrepreneurs affected by their mental abilities make strategic choices in the logic of thinking.

Under the new anti-smoking campaign, different entrepreneurs in catering trade have different strategic behaviors. There are two kinds of strategies. One is changing the target customers and adjusting the menu to meet the demand of anti-smoking campaign. The other is ignoring environmental changes and resisting anti-smoking campaign.
Strategic change is based on the changing environment. The market environment of catering trade changes fast, such as the economic situation, the government regulations, the upstream and downstream production chain, consumer preferences and so on. Entrepreneurs of catering trade need to pay more attention to changes in the market environment in order to respond effectively and timely.

The participants were entrepreneurs from the Chinese catering trade in Nanjing, Yancheng, Changzhou, and Panzhihua. 300 questionnaires were distributed (Ethical approval: All procedures performed in studies involving human participants were in accordance with the ethical standards of the institutional and/or national research committee and with the 1964 Helsinki declaration and its later amendments or comparable ethical standards). There were 149 valid samples. These participants included 96 (64.4%) males and 53 (35.6%) females. In terms of entrepreneurship education, 62 participants had such education, while 87 did not. In terms of age, 16 participants below 25 years old, 59 participants between 25 and 35, 60 participants between 36 and 45, 14 participants between 46 and 55, and no participant over 55.

3.2 Research variables and scale design

Achievement motivation. Achievement motivation was measured using Miner’s (1989) five-item scale which is a Likert 5-point scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The scale was specifically constructed for entrepreneurs (Johnson, 1990). Sample items were “To achieve a higher position for myself in society,” and “Desire to have high personal earnings”. Cronbach’s was 0.65.

Self-efficacy. Self-efficacy was measured using De Noble’s (1999) entrepreneurial self-efficacy scale (ESES). And the scale has been translated and used by Chinese researcher(Tao, 2012). There were 23 items, based on a Likert 5-point scale, ranging from 1 (strongly disagree) to 5 (strongly agree). Sample items were “I can see market opportunities for new products and services,” and “Facing the difficulties, I am able to persevere”. Cronbach’s was 0.79.

Social capital. Based on Bian and Qiu’s (2000) scale, there were 9 items scored on a Likert 5-point scale, ranging from 1 (strongly disagree) to 5 (strongly agree). It included two factors: the external social capital of entrepreneurs and the internal social capital of entrepreneurs. Sample items were “Social contacts and relations with relatives are more extensive,” and “A close relationship with government departments”. Cronbach’s was 0.86.

Strategic change. Strategic change was measured using the scale developed by the researcher. The questionnaire was compiled after interviewing the entrepreneurs under the anti-smoking environment in the catering trade. There were 6 items, based on a Likert 5-point scale, ranging from 1 (strongly disagree) to 5 (strongly agree). Sample item was “The company is always trying to become a market leader when it launches new products or enters new markets”. Cronbach’s was 0.82.

Control variables. The control variables considered in this paper include two levels, the individual level and the organizational level. We controlled for firm size (employment totals) and firm type at the organizational level. We controlled for the entrepreneur’s gender, age, educational attainment, entrepreneurship education, and entrepreneurship experience at the individual level since they may influence the relationships explored in the current study (Hmieleski and Baron, 2009). The experience was measured as the number of previous ventures founded (Stuart and Abetti, 1990).

3.3 Data Analysis

The data was analyzed using SPSS 22.0. Firstly, we conducted correlation analysis to establish the correlation between variables. Secondly, we examined the relationship between achievement motivation and strategic change using multiple regression analysis. Thirdly, we examined both models through mediation analysis. Baron and Kenny’s (1987) three-step method was used to test the aforementioned mediating effects of self-efficacy and social capital.

4. RESULTS AND DISCUSSION

4.1 Results
Table 1 provides the means, standard deviations, and correlations of variables. As shown in Table 1, Chinese entrepreneurs have high achievement motivation. The mean is 3.664 (s.d. = 0.463) on a range of 1 to 5. This is consistent with our conjecture. The results of the multiple regression models for strategic change are shown in Table 2.

Table 1 Descriptive Statistics and Correlations

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
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</thead>
<tbody>
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<td>Achievement motivation</td>
<td>3.664</td>
<td>0.463</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Self-efficacy</td>
<td>3.687</td>
<td>0.467</td>
<td>0.832**</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Social capital</td>
<td>3.769</td>
<td>0.423</td>
<td>0.685**</td>
<td>0.791**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic change</td>
<td>3.753</td>
<td>0.503</td>
<td>0.628**</td>
<td>0.667**</td>
<td>0.767**</td>
<td></td>
</tr>
</tbody>
</table>

Note. n=149, *p<0.05, **p<0.01

Table 2 Results of Multiple Regression Models of strategic change

<table>
<thead>
<tr>
<th>Variables</th>
<th>Step1: Strategic change</th>
<th>Step2: Self-efficacy</th>
<th>Step3: Strategic change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Variables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>-0.003</td>
<td>-0.07</td>
<td>0.022</td>
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<tr>
<td>Age</td>
<td>-0.047</td>
<td>0.014</td>
<td>-0.052</td>
</tr>
<tr>
<td>Education</td>
<td>-0.021</td>
<td>0.026</td>
<td>-0.030</td>
</tr>
<tr>
<td>Founder</td>
<td>-0.170**</td>
<td>-0.041</td>
<td>-0.155</td>
</tr>
<tr>
<td>Experience</td>
<td>-0.235***</td>
<td>-0.063</td>
<td>-0.212</td>
</tr>
<tr>
<td>Entrepreneurship Education</td>
<td>0.110</td>
<td>0.001</td>
<td>0.110</td>
</tr>
<tr>
<td>Firm size</td>
<td>0.223**</td>
<td>0.231***</td>
<td>0.147</td>
</tr>
<tr>
<td>Enterprise nature</td>
<td>-0.039</td>
<td>0.003</td>
<td>-0.040</td>
</tr>
<tr>
<td>Independent Variables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achievement motivation</td>
<td>0.524***</td>
<td>0.722***</td>
<td>0.265***</td>
</tr>
<tr>
<td>Self-efficacy</td>
<td></td>
<td></td>
<td>0.359</td>
</tr>
<tr>
<td>R2</td>
<td>0.523</td>
<td>0.746</td>
<td>0.555</td>
</tr>
<tr>
<td>Adjusted R2</td>
<td>0.492</td>
<td>0.730</td>
<td>0.523</td>
</tr>
<tr>
<td>F</td>
<td>16.903</td>
<td>45.379</td>
<td>10.178</td>
</tr>
</tbody>
</table>

Note. The standardized coefficients (β) are presented above. n=149, *p<0.05, **p<0.01, ***p<0.001

Table 3 Results of Multiple Regression Models of self-efficacy

<table>
<thead>
<tr>
<th>Variables</th>
<th>Step1: Self-efficacy</th>
<th>Step2: Social capital</th>
<th>Step3: Self-efficacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Variables</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Gender</td>
<td>-0.070</td>
<td>-0.68</td>
<td>-0.045</td>
</tr>
<tr>
<td>Age</td>
<td>0.014</td>
<td>0.093</td>
<td>-0.020</td>
</tr>
<tr>
<td>Education</td>
<td>0.026</td>
<td>-0.005</td>
<td>0.028</td>
</tr>
<tr>
<td>Founder</td>
<td>-0.041</td>
<td>-0.076</td>
<td>-0.014</td>
</tr>
<tr>
<td>Experience</td>
<td>-0.063</td>
<td>-0.165*</td>
<td>-0.003</td>
</tr>
<tr>
<td>Entrepreneurship Education</td>
<td>0.001</td>
<td>0.018</td>
<td>0.005</td>
</tr>
<tr>
<td>Firm size</td>
<td>0.213***</td>
<td>0.168*</td>
<td>0.152</td>
</tr>
<tr>
<td>Enterprise nature</td>
<td>0.003</td>
<td>0.024</td>
<td>-0.006</td>
</tr>
<tr>
<td>Independent Variables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achievement motivation</td>
<td>0.722***</td>
<td>0.549***</td>
<td>0.523***</td>
</tr>
<tr>
<td>Social capital</td>
<td></td>
<td></td>
<td>0.363***</td>
</tr>
</tbody>
</table>
The results in step 1 of Table 2 show the relationship between entrepreneurial achievement motivation and strategic change (p < .000) is significant and positive. Therefore, Hypothesis 1 was supported.

The results in step 2 of Table 2 show the relationship between entrepreneurial achievement motivation and self-efficacy (p < .000) is significant and positive. The results in step 3 of Table 2 show that the impact on strategic change of entrepreneurial achievement motivation and self-efficacy (p = .002 > .000, T = 2.538 < 7.777) is significant and positive. Thus, Hypothesis 2 was supported.

Hypothesis 3 proposed that entrepreneurial achievement motivation is positively related to social capital. According to Table 3, the results in step 1 supported this hypothesis (p < .000). To test the hypothesis that social capital would mediate the relationship between achievement motivation and self-efficacy (Hypothesis 4), the following mediational models were compared using β and T differences. The effect of entrepreneurial achievement motivation on social capital decreases from step 1 (T = 14.690) to step 3 (T = 9.966). Therefore, Hypothesis 4 was also supported.

4.2 Discussion

4.2.1 Findings and Implications

In consistent with the previous findings (Deshpandé et al., 2013), we observed the relationship between entrepreneurial achievement motivation and strategic change. The results above suggest that an entrepreneur’s achievement motivation has a positive relationship with strategic change and, moreover, that self-efficacy mediates this relationship. It is also consistent with Moradi’s (2013) research that self-efficacy is an important mediator of the process of achievement motivation. Additionally, social capital mediates the relationship between achievement motivation and self-efficacy. Such a result is consistent with previous findings that entrepreneurs’ social capital and psychological capital (a composite index of optimism, self-efficacy, resilience, and hope) are important in contexts of risk versus uncertainty (Hmieleski et al., 2015).

This conclusion combines the theories of behavior strategy, positive psychology, and social network theory. Firstly, this may contribute to the influencing factors of strategic change. It will enlarge the path of strategic change research. Secondly, the present study extends the research on the positive mental ability of the entrepreneur. The positive mental ability of the entrepreneur is significant to the development of the enterprise. Thirdly, the present study combines individual characteristics and individual resources which are both vital in discussing the mechanism of strategic change initiation. Moreover, the study contributes to understanding the relationship between motivation and behavior.

We draw a conclusion that the reasons that entrepreneurs initiate strategic change can be contributed to their own personality and character. In fact, we believe that by making full use of achievement motivation, maximizing their social capital, and therefore further improving their sense of self-efficacy, entrepreneurs will initiate strategic change and make strategic choices. In this fast changing and competitive world, by using psychological methods, entrepreneurs would have much improved self-efficacy and psychological ability so as to adapt to the environment more easily, and launch strategic change timely, thus maintaining their advantages. The entrepreneur's social capital is one of the key variables. It is critical to an enterprise whether its management team would put their efforts into building a social network based on their enterprises, including their upstream and downstream enterprises and any other stakeholders including customers, research institutes, government agencies, and competitors, and to keeping on good terms with them.

4.2.2 Limitations and further study

Certain limitations exist in our research. First, there is no unified theoretical model for strategic change, which leads to insufficient support literature to our micro-model of strategic change based on individual achievement motivation. Second, we investigated entrepreneurs in the catering trade under the anti-smoking regulations. The
result was restricted. As matter of fact, the pressure of anti-smoking in China is not very heavy, because of the absence of strong social awareness of anti-smoking. However, we found that under such relatively light but mandatory regulatory pressure, it is easier to recognize the initiation of strategic change. In future, our research will be expanded to more circumstances and more industries. Third, the measurement of variables is not objective. We measured the strategy changes by a self-made questionnaire on specific choices under the anti-smoking regulations. It might not be generic and universal for every circumstance.

REFERENCES


