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Ludmila Kozubíková, Gabriela Sopková, Vladimír Krajčík, Ladislav Tyll

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Ludmila Kozubíková, Gabriela Sopková, Vladimír Krajčík, Ladislav Tyll
kozubikova@fame.utb.cz, gabika.sopkova@gmail.com, krajcik@vspp.cz, ladislav.tyll@vse.cz
Tomas Bata University in Zlín, Faculty of Management and Economics, Mostní 5139, Zlín, Czech Republic
University of Economics in Bratislava, Faculty of Commerce, Dolnozemská cesta 1, Bratislava, Slovak Republic
Pan-European University, Faculty of Economics and Business, Tomášikova 20, Bratislava, Slovakia
University of Economics, nám. W. Churchilla 4, Prague, Czech Republic

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Abstract

Research background: SME character determines that entrepreneur´s personality plays a significant role in their management. For this reason it is necessary to consider the personality as a whole including his/her motives for entrepreneurship.

Purpose of the article: The aim of this article is to examine the relationship between entrepreneurial motives and innovativeness in the small and medium-sized enterprises (SMEs) sector in the Czech Republic.

Methodology/methods: We have analyzed the data collected in 2015 from 1141 SMEs from 14 regions of the Czech Republic. For the purpose of this article we focused on the motives for doing business, which were analyzed on the part of the whole sample including two selected groups of respondents. The first group (330 respondents) consisted of entrepreneurs who featured money as the most important motive for starting up a business and the second group (251 respondents) consisted of entrepreneurs who featured mission as the main reason for starting up a business.

Findings & Value added: We have revealed statistically significant differences in innovativeness between the entrepreneurs motivated by money and the entrepreneurs motivated by mission. Regardless of the entrepreneurial motives vast majority of entrepreneurs consider the innovativeness to be important for their company.

Introduction

Small and medium-sized enterprises (SMEs) are the subject of a great importance because of their irreplaceable role for the performance of the Czech economy. Entrepreneurial orientation (EO) of SMEs is highlighted in the papers of many authors because it is a possibility of improvement performance (Belás & Sopková, 2016a; Belás & Sopková, 2016b; Vojtovič, 2016; Covin & Wales, 2011; Lim & Envick; 2013).

For the development of SMEs the quality business environment creates favorable conditions (not only economic criteria, but also social, educational, cultural and other factors). (Ključnikov, Belás, Kozubíková, Paseková, 2016; Dúbravská, Mura, Kotulič, & Novotný, 2015 ; Belás, Ključnikov, Vojtovič, Sobeková-Májková, 2015)

The nature of SMEs makes it inevitable to take into account the personality of an entrepreneur as a factor which significantly influences the status and the success of SMEs. Many authors focus their researches on suitable personality traits of the entrepreneurs. (e.g. Beugelsdijk & Noorderhaven, 2005; Caliendo, Fossen & Kritikos, 2014; Frese & Gielnik, 2014; Kozubíková, Belás, Ključnikov, & Virglerová, 2015).

To become an entrepreneur it is necessary to find a good and convenient motivation. Entrepreneurial motives can be various, including desire to earn lots of money, passion, need to find a job and others.

The aim of this paper is to improve better understanding of different attitude to the selected element of the EO – innovativeness – between two selected groups of entrepreneurs in relation to different motives for entrepreneurship.

Research Methodology

The aim of the article is to identify and quantify the differences in the innovativeness of entrepreneurs among the entrepreneurs whose motive for starting a business are money in comparison to the entrepreneurs who stated that their motive for starting a business was a perception of doing business as their mission. In

order to reach the main objective of the article we have defined area of the research: innovativeness (statistical hypotheses - H1A, H1B, H1C) and formulated the following statistical hypotheses:

H1A: There are statistically significant differences between the selected groups of entrepreneurs in their own concept of the enterprise as an innovator.

H1B: There are no statistically significant differences between the selected groups of entrepreneurs in the affirmative reactions on the claim that the company produces new products (goods) or services.

H1C: There are statistically significant differences between the selected groups of entrepreneurs in the field of financial investment in new methods and technologies.

The questionnaire consisted of 52 questions covering the fields of risk management, personal characteristics and motives for doing business, as well as the relationship to the aggressiveness in business. In total our survey obtained the statistical data from 1,141 enterprises (70% success rate).

Present statistical survey is focused on a question of motivation of the entrepreneur for starting a business. The most common answers to the question on motives were: money, perception of doing business as a mission, independence, self-realization, but also a unique theme of the change of the political regime in 1989. The two most important motives for starting a new business, namely money and mission, were chosen for the research.

In order to evaluate the defined statistical hypotheses needed to fulfill the objectives of the paper we used such methods of descriptive statistics, needed for the Z-score calculation. Pearson's coefficient was calculated and then interpreted by a judgment of the statistical significance of differences between specific groups of entrepreneurs according to their motivation for starting a business. Statistical hypothesis were adopted or rejected on the pre-set level of significance with p-value of 0.05. While evaluating and identifying the statistically significant differences between the responses to the questions between the selected groups of enterprises Z-score was applied. P-value of the standardized normal distribution was used to evaluate the Z-score parameters. Calculations were made through the sophisticated statistical software called SPSS Statistics.

Literature Review

Entrepreneurial behavior is significantly determined by business environment that can include factors such as: laws and government, activities, clients, suppliers, competition, improvements in technology, banks, risks and so on. (Virglerova, Dobes & Vojtovic, 2016; Betakova, Lorko, & Dvorsky, 2014)

EO is usually understood as a five-dimensional construct consisting of *innovativeness, risk-taking, proactivity, autonomy and competitive aggressiveness.*

The importance of entrepreneurial behavior is examined by many authors (originally Miller, 1983; further developed by Zortea-Johnston, Hudakova et al., 2015; Darroch & Matear, 2012; Rauch, Wiklund, Lumpkin & Frese, 2009). Lumpkin and Dess (1996) extended Miller´s original three dimensional concept by two constructs – autonomy and competitive aggressiveness. They focused on an effective combination of all five constructs, but at the same time they stated that these five elements do not represent entrepreneurship defined as a new entry.

Innovativeness is an important component of the EO, because it reflects the important means by which the companies can pursue new opportunities. (Lumpkin & Dess, 1996, p. 143)

Innovativeness of a company is solved by many authors from different point of view (Laforet, 2013; Soininen, Puumalaiene, Sjögren & Syrjä, 2012). Boyer and Blazy (2014) examined the determinants of survival of non-innovative and innovative enterprises. The survival of these companies is associated with personality characteristics, such as gender, age association with a national minority, professional experience and financial resources.

The necessity to have the ability of innovation for entrepreneurs is also highlighted by Lukes (2013), when stating that what differentiates entrepreneurs from all other groups in their higher involvement in prepatory activities that start the implementation of new ideas.

The effort to explore business motives is understandable because a closer understanding of motivations can contribute to a better understanding of entrepreneurial behaviour (Boada-Grau, Sánchez-García, Viardot, Boada-Cuerva & Vigil-Colet, 2016).

We can consider a wide range of entrepreneurial motivations, e. g. the economic motivations such as financial goals (Pinfold, 2001), the non-economic as independence, autonomy, seeking a challenge (Williams, 2009; Lumpkin, Cogliser, & Schneider, 2009; Mattis, 2000). A passion as a reason of entrepreneurship is considered in the study of Yitshaki and Kropp (2016).

Rey-Marti, Porcar and Mas-Tur (2015) state that in recent years several studies are showing that business expansion predominantly depends on company owners´ motives, attitudes and intentions towards the future.

Results and Discussion

From the total number of 1141 respondents by using the simple method of sorting according to the selected statistical characteristic of motive for starting a business, we have selected a sample of 581 enterprises, who marked either money or mission as an answer. The structure of the selected statistical sample was as follows: money as the motive for starting a business was reported in 330 cases (29% of 1141 respondents), there were 260 males and 70 females, 105 respondents with a higher education, 225 respondents with the other levels of education. The age structure was as follows: 102 of the entrepreneurs were younger than 35 years, 100 of them was between 36 and 45 years, and 128 respondents were over 45 years old. Mission as a motive reported in 251 cases (22% of 1141 respondents), where 179 were males, 72 females, 106 had the higher and 145 the other level of education. 67 respondents were under 35, 66 of them were between 36 and 45 years, and 118 respondents were over 45 years old.

Table 1 shows the results of the research of the attitude of the company to their own image of the innovative company, sorted by the selected motives for starting a business (money and mission).

Table 1. My company has an image of an innovator

Innovativeness	**Motive for starting a business**		**Z-score**	**Z-score p-value**
	Money	**Mission**		
Completely agree: 7% of the companies	21	22	-1.095	0.271
	6%	8.9%		
Agree: 38% of the companies	100	118	**-4.12**	**0.000**
	30%	47%		
Take no position: 33% of the companies	115	75	1.264	0.207
	35%	30%		
Disagree: 20% of the companies	84	35	**3.405**	**0.000**
	25%	14%		
Completely disagree: 2% of the companies	10	1	**2.306**	**0.021**
	3%	0.1%		
Chi square	**26.981**			
p-value	**0.000**			

Source: own calculations

The results presented in the Table 1 show that 45% of the entrepreneurs agree with the presented statement, while 33% of them take no position and 22% disagree with the statement. The presented values of the test criteria confirmed that there are the statistically significant differences in the overall structure of the responses in relation to the motivation for starting a business (p-value = 0.001). There are also differences between the affirmative and negative answers between the selected groups in relation to the perception of innovativeness of their companies. The results of the evaluation of the calculated data allow us to adopt the statistical hypothesis H1A.

The results of the research of issues of development of new products and services between the selected companies are presented in Table 2.

Table 2. We regularly develop new products and services in our enterprise

Innovativeness	**Motive for starting a business**		**Z-score**	**Z-score p-value**
	Money	**Mission**		
Completely agree: 6% of the companies	32	5	**3.767**	**0.000**
	10%	2%		
Agree: 40% of the companies	149	83	**2.946**	**0.003**
	45%	33%		
Take no position:	66	69	**-2.117**	**0.034**

23% of the companies	20%	27%		
Disagree: 27% of the companies	67	88	**-3.983**	**0.000**
	20%	35%		
Completely disagree: 4% of the companies	16	6	1.537	0.123
	5%	2%		
Chi square	**35.857**			
p-value	**0.000**			

Source: own data

The results presented in Table show that 269 entrepreneurs (46%) agree with the formulated statement, 135 entrepreneurs (23%) take no position, and 177 entrepreneurs (31%) disagree with the statement. P-value of the Pearson coefficient confirms the existence of the significant differences in the structure of the responses of the group of entrepreneurs regarding the statement about the development of new products and services in their companies (p-value = 0.000). Statistically significant differences can be also observed in case of absolutely conformable and conformable answers among the surveyed groups of entrepreneurs (p-value, Z-score value = 0.000; p-value, Z-score value 0.003). Statistical hypothesis H1B can be rejected on the basis of the performed tests.

Table 3. We invest in the development of new methods and technologies

Innovativeness	**Motive for starting a business**		**Z-score**	**Z-score p-value**
	Money	**Mission**		
Completely agree: 6% of the companies	11	23	**-2.965**	**0.003**
	3%	9%		
Agree: 34% of the companies	111	84	0.043	0.968
	33%	33%		
Take no position: 24% of the companies	75	64	-0.775	0.435
	23%	26%		
Disagree: 30% of the companies	109	72	1.120	0.263
	33%	29%		
Completely disagree: 6% of the companies	26	6	**2.386**	**0.016**
	8%	2%		
Chi square	**14.972**			
p-value	**0.004**			

Source: own data

The interpretation of the results presented in Table 3 is, that there are statistical differences in the approach of the entrepreneurs, selected in relation to the motive for starting a business in the field of financial support in the development of new methods and technologies (p - value = 0.004). We can also observe significant differences in negative responses of the selected groups of entrepreneurs on this statement (money - 135 entrepreneurs, mission – 78 entrepreneurs, Z-score - 2234, p-value Z-score 0.025). Statistical hypotheses H1C is adopted based on the evaluation of the received statistical evidenced.

Our positive results on innovativeness are in line with the authors which support the importance of EO for SMEs (e. g. Moreno & Casillas, 2008; Lumpkin & Dess, 1996; Laforet, 2013; Soininen et al., 2012; Avlonitis & Salavou, 2007). Nevertheless, our results are not always supported at the prescribed level of significance, but we were able to identify the firm level differences in a majority of the cases.

The findings of statistically significant differences in the attitude to identified constructs of EO caused by different entrepreneurial motives confirm the results of Boada-Grau et al. (2016) that different entrepreneurial motives can cause different entrepreneurial behavior (in our case different attitude to EO).

Conclusions

The aim of this article was to identify the relationship between entrepreneurial motives and a construct of EO, concretely innovativeness in the SMEs sector in the Czech Republic.

Our results showed that the entrepreneurs, who were an object of the research consider innovativeness to be important for their businesses regardless the entrepreneurial motives because the number of the affirmative replies (completely agree or agree) was dominating in all the questions related to the innovativeness. Entrepreneurs perceiving doing business as a mission statistically significant more intensively agreed with having a reputation of an innovative firm, but presented the opposite situation in case of regular development of new products and services, where entrepreneurs motivated by money were dominating.

We believe that our article has brought new incentives not only for further research.

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