Motivation and Constraints of Newly Entrepreneur at 40s

Anak Agung Alvian Prasetya Putera*1
Usep Suhud2
Agung Dharmawan Buchdadi3
1,2,3Magister of management, Faculty of Economics, University of Jakarta, Jakarta, Indonesia

ARTICLE INFO

ISSN: 2723-1097
Keywords: Entrepreneurial motivation, entrepreneurial constraints, entrepreneurial constraints resolution effort, grounded theory.

ABSTRACT

This study aims to identify the motivations and constraints of new entrepreneurs in their 40s in Jabodetabek. This study was conducted using a qualitative approach. The authors used the grounded theory approach. Researcher resources were taken based on the purposive sampling method. The collection techniques used by the researchers were observation, in-depth interviews, and documentation. The data analysis used was Nvivo12. Based on the results of a qualitative study using a grounded theory approach regarding the motivation, constraints, and efforts to resolve the barriers of new entrepreneurs in the 40s, some conclusions can be made regarding the motivation of new entrepreneurs in their 40s including (1) underlying. Motivation for entrepreneurs. Starting in their 40s to start a business is self-actualization. This motivation is based on the desire of new entrepreneurs in their 40s to advance themselves to be better than the previous situation and condition. (2) the motivation that drives new entrepreneurs in their 40s to start a business is the motivation to want to progress. The entrepreneur desires to change the fate of those who initially worked in the company or are housewives. This motivation is based on the desire to change for the better. In terms of constraints and efforts to resolve the constraints of new entrepreneurs in their 40s, the authors cover (1) Constraints in business management, including human resources, capital, and infrastructure. Efforts made by new entrepreneurs in their 40s to solve business management problems are collaborative efforts, capital management, and network expansion. (2) Constraints on own-self. The age factor is a significant issue new entrepreneurs face in their 40s. Efforts are being made to improve the self-quality of new entrepreneurs in their 40s.

Introduction

Many prominent entrepreneurs start their businesses in their 40s. In America, the entrepreneur who started his business at old age was Ray Kroc. Ray Kroc is a fast food restaurant entrepreneur, McDonald’s very famous in America. Ray Kroc's struggle to run his business is told in the film The Founder, directed by John Lee (Hancock, 2016). Ray Kroc started his career as a traveling salesman in Illinois, America. Milkshake Mixer became an item marketed by Ray Kroc in 1954. Finally, Ray Kroc found a fast-food restaurant built by Maurice and Richard McDonald. Ray Kroc also decided to join as part of the fast-food restaurant built by Maurice and Richard to be developed larger until Ray Kroc bought the fast-food restaurant
business and claimed that he was the founder of the company. The film states that the key to Ray Kroc's success in running his business is persistence. In addition to Ray Kroc, many other entrepreneurs who started their businesses at an old age from various countries, for example, Sam Walton, who built a Walmart business in America, Gordon Bowker, who made a Starbucks Coffee business at the age of 51, and Harland Sanders David or commonly known as Colonel Sanders who created a KFC business at the age of 65 (Islamiyati, 2018).

One example of an entrepreneur starting a business at an old age is a YouTube channel published by private media (News, 2015). In a video posted on a private media channel, she tells of Ibu Sari, who left her job and started her business at the age of 40. Ibu Sari has been running a painting scarf business called ZANIART in Bandung since 2009. Her high motivation and enthusiasm for learning have become the basis for Sari's running her business. Another entrepreneur who started or ran his business at old age was Bagus Pursena, who ran his business in the home porcelain industry at 43. Sri Maryati built a corn chips business at 58 (MoneySmart, 2015).

To find out the public's view of beginner entrepreneurs after their 40s, the author conducted a pre-survey distributed to 100 people aged 30-50 years from various backgrounds—the background of the resource persons from multiple groups such as gender, occupation, and marital status. The purpose of the survey conducted by the author is to get the general public's view of beginner entrepreneurs who start businesses in their 40s, the motivations of beginner’s entrepreneurs in their 40s in starting their businesses, and the constraints to beginners’ entrepreneurs in their 40s in running their business.

Respondents' responses to beginners’ entrepreneurs in their 40s received a good answer. According to respondents, age is not a barrier to doing business. Everyone has the right to start a business at any age, young or old. Forty years is a very mature age. At which the age of 40, a person can already see and decide the existence of a risk and opportunity in business. However, there are still respondents who say that starting a business in your 40s is too late, too risky, and less than ideal.

According to respondents, achieving goals in life, fulfilling economic needs, and having problems in previous jobs are the motivations of entrepreneurs in their 40s. The respondent's achieving the goals in life is the belief in helping others by opening up employment opportunities. In addition, starting a business at the age of 40 is a provision to prepare for retirement to remain productive when entering retirement.

While the constraints for beginner entrepreneurs in their 40s, people think that the main constraints entrepreneurs at 40s are physical problems, age, and time. The higher the age of an entrepreneur will affect the physical and flexibility of his body.
movement. In addition, the challenge is the ability of entrepreneurs in their 40s to compete with entrepreneurs at a young age. The ability to innovate and utilize technology is the primary tool for entrepreneurs at a young age. Therefore, beginner entrepreneurs in their 40s must quickly adapt to young entrepreneurs.

**Literature Review**

**Entrepreneurial Motivation**

According to Lee & Wong (2004), entrepreneurial intention is entrepreneurial motivation; it can also be interpreted as the first step of establishing a generally long-term business. Meanwhile, according to Krueger, entrepreneurial motivation reflects one's commitment to starting a new business and is a central issue that needs to be considered in understanding the entrepreneurial process of establishing a new business (Krueger, 1993). According to Sutanto, entrepreneurship motivation encourages individuals to carry out certain activities to create new economic businesses (Adi, 2002).

Entrepreneurial motivation is a solid technical drive in individuals to prepare themselves for work. It has an awareness that entrepreneurship is related to him. He pays more attention and prefers to carry out entrepreneurial activities independently, believes in himself, and is future-oriented. They were accompanied by a desire to excel in their field based on their abilities, strengths, skills, and proper planning (Rivanti, 2003).

**Entrepreneurial Constraints**

According to Beck (2007), the constraints or barriers experienced by entrepreneurs in running their businesses are divided into two major groups, namely internal constraints and external constraints. Internal constraints are factors in the company's environment, which it mainly controls.

**Third-age Entrepreneurship**

Various terms have been used in the existing literature to describe entrepreneurship in old age, but no agreement has emerged as to the most acceptable definition. Arkebauer (1995) first used the term seniopreneur to describe people over the age of 50 who own a business regardless of the size of the business. Weber & Schaper (2004) used gray entrepreneurs, while Kautonen (2012) used senior entrepreneurs to describe individuals over 50 starting a business. Blackburn et al. (2000) coined the term third-age entrepreneurship, representing individuals who own and operate small or medium-sized enterprises between 50 and 75. Ainsworth and Hardy (2008) define older workers as 45 and over, while Goldberg (2000) defines older workers as more than 60.
Method

This research uses qualitative research. The qualitative research approach uses the Grounded Theory approach. The research sites are carried out in the Jakarta, Bekasi, and Depok areas. The research object is beginner entrepreneurs in their 40s (based on the location of the business and the informant’s residence). Sources in this study are:

<table>
<thead>
<tr>
<th>No</th>
<th>Name of Entrepreneur</th>
<th>Age at Starting Business</th>
<th>Type of Business</th>
<th>Location of Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mrs. Griyani</td>
<td>42 years old</td>
<td>Catering service for Kawan Lama Group</td>
<td>East Bekasi</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Area Bekasi</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Mr. Saefudin</td>
<td>41 years old</td>
<td>Freight Forwarding / Logistics</td>
<td>Tangerang</td>
</tr>
<tr>
<td>3</td>
<td>Mrs. Wati</td>
<td>40 years old</td>
<td>Donat Kentang Haqi</td>
<td>Depok</td>
</tr>
</tbody>
</table>

To obtain extensive and in-depth research data, several attempts were made to collect the required data in several ways: observation and in-depth interviews. The author uses a qualitative data analysis tool in this study, namely NVivo 12.

Result And Discussion

Data Testing Results

Previously, the author made a mind map of Nvivo 12 to explain the research process:

Figure 1 Mind map NVIVO 12 (Source: NVIVO 12)
The author uses Nvivo 12 software to analyze data to carry out a grounded theory approach to the problem objectives, namely: 1. Knowing the motivations of beginners entrepreneurs in their 40s when choosing to open a business; 2. Identify the constraints faced by beginners entrepreneurs in their 40s when starting a business; 3. Knowing how beginners entrepreneurs in their 40s solve the constraints they face in their business.

**Research Results Selective Coding and Nodes Visualization**

The author found various answers from informants, beginner entrepreneurs in their 40s regarding their entrepreneurial motivation to start a business in their 40s. To illustrate the magnitude/hierarchy of the various answers obtained through the coding process and nodes using NVIVO 12.

![Figure 2 Visualization of entrepreneurial motivation nodes (Source: NVIVO 12)](image)

The visualization image of the NVIVO 12 nodes above, it is clear that the self-actualization category is the most dominant motivation for beginners entrepreneurs in their 40s to start their businesses. Self-development and leisure time became the most dominant sub-categories answered by the informants of beginners entrepreneurs in their 40s. Meanwhile, the desired category develops into entrepreneurial motivation. This category is included in the second hierarchy with subcategories of changing fate, being independent, and being free from life as a worker. The color of the bolder column explains that in this category, there are more answer items related to entrepreneurial motivation. Then the category of entrepreneurial interest, entrepreneurial reward, and hope for the future becomes the
next category in the entrepreneurial motivation hierarchy nodes for beginners entrepreneurs in their 40s.

**Entrepreneurial Constraints**

In the entrepreneurial constraints of beginners entrepreneurs in their 40s, there are four categories in the nodes: constraints on business management, constraints on own self, constraints on the business environment, and constraints on customer trust. The results of nodes selective coding for this topic are illustrated by the visualization of the NVIVO 12 hierarchy below:

![Visualization of entrepreneurial constraint nodes](Source: NVIVO 12)

Figure 3 Visualization of entrepreneurial constraint nodes (Source: NVIVO 12)

The picture of the hierarchy of the NVIVO 12 nodes above, it is clear that most beginners entrepreneurs in their 40s have problems starting their businesses that come from their business management. Constraints on business management include two factors answered by the informants of entrepreneurs who start a business over the age of 40: human resource constraints and capital constraints.

**Constraints Solving Effort**

The author found various answers from the resource persons, beginners entrepreneurs in their 40s, regarding efforts to resolve constraints. To illustrate the magnitude/hierarchy of the multiple answers obtained through the coding process and nodes using NVIVO 12.
The image of the visualization of the NVIVO 12 nodes above, it is clear that the category of effort to resolve constraints in business management is the most dominant solution for beginners entrepreneurs in their 40s to solve problems when starting a business for beginners entrepreneurs after their 40s. Collaborative, capital management, maintaining business continuity, and expanding networks became the most dominant sub-categories answered by the entrepreneur breeders in their 40s.

While the category of efforts to resolve constraints from own-self becomes an effort to resolve constraints included in the second hierarchy with sub-categories of business spirit, improving self-quality, and abilities and experience. The color of the bolder column explains that in this category, there are more answer items related to efforts to solve entrepreneurial problems. The category of efforts to resolve constraints in the business environment, followed by the category of efforts to resolve constraints to customer trust, becomes the next category in the nodes hierarchy of efforts to resolve entrepreneurial constraints for beginners entrepreneurs in their 40s.

Discussion (Triangulation Theory) Entrepreneurial Motivation

a. Self-Actualization Motivation

Self-actualization motivation is the most dominant motivation expressed by beginners entrepreneurs in their 40s. The self-actualization motivation of beginners
entrepreneurs in their 40s is dominated by the self-development of entrepreneurs. This motivation is the most substantial reason for them to become entrepreneurs.

Self-actualization motivation according to Maslow's theory of motivation needs, self-actualization motivation due to the need to develop is included in the 5th hierarchy, the need for self-actualization. Abraham Maslow's Theory of Motivation, also known as the Needs Theory, reveals that all people have basic needs. Maslow shows it in five levels in the form of a pyramid, people start from the lowest level of motivation. The five levels of basic needs are known as Maslow's hierarchy of needs, from the most basic biological needs to the more diverse and complex psychological motives. It will only be important if basic needs are met. A one-line requirement must be satisfied, at least partially or partially, before the next level requirement becomes decisive the importance of an action; 1) Physiological needs (hunger, thirst, etc.); 2) The need for security or security (feel safe and protected, away from danger); 3) The need for love and belonging (of others, acceptance, possession); 4) The need for appreciation or respect (performance, competence, support and acknowledgment); 5) The need for self-actualization (cognitive needs: knowledge, understanding and exploration; aesthetic needs: harmony, order and beauty; the need for self-actualization: achieving self-satisfaction and realizing one's potential). Maslow's assumption is that people try to satisfy more basic (physiological) needs before adjusting their behavior to higher-level needs (self-actualization). When a person's needs are strong, the person's motivation to adopt behaviors that satisfy their needs is greater.

b. Motivation Desire to Thrive

Entrepreneurs in their 40s also revealed that apart from self-actualization motivation, another motivation that underlies them to enter the world of entrepreneurship is the desire to thrive. This motivation arises based on the desire of some entrepreneurs aged over 40 years to change their fate/life for the better or develop. One theory that is relevant to the motivation to want to develop is the motivation indicator for entrepreneurship (Uno, 2008), namely: 1) Desire to grow; 2) There is an incentive and a need for entrepreneurship; 3) There are hopes and aspirations for the future; 4) There is a reward for entrepreneurship; 5) There are several interesting activities in entrepreneurship

Discussion (Triangulation Theory) Entrepreneurial Constraints

a. Constraints on business management

b. Constraints on entrepreneurial business management are the main constraints for entrepreneurs in their 40s. This constraint can be understood as a process for a new entrepreneur. According to Suparyanto (2012), the most basic weakness
experienced by most small businesses is in the management aspect. Machfoedz and Machfoedz (2015) also expressed business management constraints. Everyone who starts a new business is always optimistic. But that optimism faded with business failure. This happened in the first two years. Only about 20 percent of new companies survive.

c. Constraints from own-self

Entrepreneurs over the age of 40 also have internal constraints or internal constraints. Feelings of laziness, inferiority at a period that is no longer young, and being busy outside of business are examples of a series of answers for entrepreneurs in their 40s. According to McCeland in Alma (2007), internal factors are related to aspects of the personality possessed by an entrepreneur who has a powerful desire for achievement compared to people who are not entrepreneurship. Based on this theory, some entrepreneurs in their 40s still do not have a strong desire or very high achievement to achieve their hopes or dreams. Self-personality, such as feeling lazy, inferior, and unable to divide time into daily activities, has a negative effect on entrepreneurship. A successful person is if a person can relate well and can adapt to his environment reasonably and effectively.

Discussion (Triangulation Theory) Efforts to Settle Entrepreneurial Constraints

a. Efforts to solve problems in business management

Efforts to resolve constraints or constraints to business management are a priority for entrepreneurs in their 40s to resolve entrepreneurial constraints. Among the efforts made are collaborative efforts, financial management, and network expansion. Efforts to resolve constraints in business management are related to the dimensions of entrepreneurial skills. According to Hisrich et al. (2012), entrepreneurial skills are a person's skills in managing his business which consist of: personal entrepreneurial skills, dimensions that explain that a skilled entrepreneur must have:

- Inter control, namely the entrepreneurial ability to control own-self or self-discipline in carrying out business activities. The meaning of the word discipline is an entrepreneur's commitment to his duties and work. Commitment is an agreement about something someone makes, both to himself and others. Examples of discipline

- Risk-taker, which is the skill in taking risks. An entrepreneur will face various risks that may grow when carrying out his business. This must be owned by an entrepreneur anytime and anywhere, both in the form of money and time. An example of the courage to take risks is that every entrepreneur must be
prepared not to make a profit or even experience bankruptcy in running their business.

- Innovative is an essential characteristic of an entrepreneur characterized by behavior that leads to the discovery of new things or new ways. To win a competition, an entrepreneur must have a high creative power; this creative power should be based on an advanced method of thinking and full of new ideas that are different from products that have been on the market. An innovative example of ma ich chips, actually spicy chips have been around for a long time. Still, the owner of ma ich chips makes spicy chips with more attractive packaging and has a spicy level.

- Change oriented, which means change orientation where entrepreneurs do not like stagnation or routine. Examples of observing competitors and outsiders for business improvement ideas.

- Persistent or militant, which is indicated by the toughness of an entrepreneur. An example of being persistent in running a business is working hard and never giving up.

- Visionary leader, a visionary leader who can bring the company to a better future. An example of an entrepreneur who has the vision to make his business the fastest place of business in terms of serving and becoming the best place of business in Indonesia.

- Ability to manage change, namely the ability to drive change. Examples of changes regarding new regulations and when setting new goals.

b. Efforts to solve constraints on own-self

Entrepreneurs aged 40 years and over take steps or efforts to overcome internal/internal constraints. One of their efforts to solve their problems is improving their quality and increasing their enthusiasm for entrepreneurship. The efforts are taken by entrepreneurs aged 40 years and over are by the theory of attitudes or characteristics of entrepreneurs, which are an essential part of entrepreneurship. Entrepreneurial characteristics determine the success of the company's management and development. According to Suryana (2003), the qualities and characteristics of entrepreneurs are: 1) Self-confidence and optimism: strong self-confidence, dependence on others, and individualism; 2) Task-oriented and results-oriented: performance needs, profit-oriented, strength, energy, persistent and unwavering drive, determination to work optimally and take the initiative; 3) Dare to take/take risks and accept challenges/challenges; 4) Leadership is having the soul of a leader, easy to adapt to others, and open to criticism and suggestions; 5)
Originality, creative, flexible, and innovative; 6) Visionary, has views and perspectives for the future

Steps or efforts to increase entrepreneurial spirit are also relevant to Machfoedz and Machfoedz (2015) theory of entrepreneurial characteristics; entrepreneurial characteristics include: 1) Enjoy controlling everything they do; 2) Don't like to sit idly by; 3) Motivated by the desire to succeed; 4) Analyze each option to ensure success and reduce risk; 5) Have a much better way of doing things; 6) Realization of personal life is more important than professional life; 7) Always choose the best alternative to make a decision; 8) Don't be afraid to admit you made a mistake.

Conclusion

Based on the results of qualitative research using an approach regarding the motivations, constraints, and efforts of beginners entrepreneurs in their 40s in entrepreneurship, several conclusions can be drawn regarding the motivations of beginners entrepreneurs in their 40s who almost run a business in the culinary field, including the underlying motivation. For beginners entrepreneurs in their 40s, to start a business is self-actualization. This motivation is based on the desire of beginners entrepreneurs in their 40s to develop themselves to be better than before.

Furthermore, the motivation that drives beginners entrepreneurs in their 40s to start a business is the desire to grow. This motivation is not only a desire to develop for business profit alone but also a motivation to change the fate of being a worker in a company or a housewife. This motivation is based on the desire to change for the better.

In addition to examining the motivations of entrepreneurs in their 40s, this study also concludes that the constraints faced by beginners entrepreneurs in their 40s and efforts to resolve these constraints include the constraints faced by beginners entrepreneurs in their 40s in Starting a business is a constraint on business management. Constraints on business management have human resources, capital, and infrastructure. Efforts made by beginners entrepreneurs in their 40s to solve business management problems are collaborative efforts, capital management, and network expansion. Joining the entrepreneur / MSME community and collaborating with other partners, beginners entrepreneurs in their 40s can solve business management problems.

Furthermore, self-constraints are another constraint faced by beginners entrepreneurs aged 40s. The age factor is the main thing beginners entrepreneurs face in their 40s. Starting a business in your 40s causes physical limitations. Efforts made to solve their constraints by beginners entrepreneurs in their 40s are to
continue improving their quality and continue to grow the spirit of entrepreneurship.

Limitation and Further Research

Some of the limitations in this research are the limited numbers of samples investigated, as well as their characteristics. This research is limited to a region, Jabodetabek, and a specific age category, which is newly entrepreneur beginning their business in their 40s. Further research could examine other factors that motivate new entrepreneurs to start their businesses in their 40s. Moreover, future research can explain more specifically about constraints and constraints solving effort besides this research.

For practical suggestion, this research could be translated into more concrete forms of entrepreneurship development in their 40s. Not only translated into more concrete forms, but this research could be an input for the local government for the development of SMEs in Jabodetabek. The author believes that new entrepreneurs in 40s can support national economics.

Acknowledgment

The author would like to give the highest appreciation to all participants who have contributed to this research, especially for the informants who accepted and provided time to answer the research question, for practitioners who have supported and confirmed answers from informants, and lecturers who have given advice, suggestion and guidance for the research. Moreover, for friends and family who never stops supporting and motivating to finish the research.

References


https://doi.org/10.1108/13552550210436521

Article's contents are provided on a Attribution-Non Commercial 4.0 Creative commons license. To see the complete license contents, please visit http://creativecommons.org/licenses/by-nc/4.0/


