Using McClelland’s Theory of Need to Determine the Relationship between the Motivational Factor and Social Entrepreneurship Activity Among People with Disabilities

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Abstract: Social entrepreneurship (SE) refers to an activity where a social element is used to create business opportunities. It describes the efforts of certain non-profit organizations or government agencies to improve the social and economic conditions of impoverished communities. This paper proposes a conceptual model to examine the relationship between motivational factors and the engagement of people with disabilities (PWD) in SE activities. Using McClelland’s need theory for measuring motivation, examines achievement, affiliation, and power needs. When these needs go unfulfilled, motivation declines, leading to decreased performance and turnover within the organization. This theory holds significant influence in entrepreneurship and has been widely adopted in various research studies. Conducting a quantitative survey among actively engaged PWDs in SE activities under the Social Welfare Department institution will help identify the motivational factors driving PWDs to prioritize social entrepreneurship over other employment options. Recognizing this connection enables government agencies and stakeholders to potentially reshape and create better-suited programs for PWD and guide them toward a renewed path of empowerment.

Keywords: McClelland theory of need, social entrepreneurship, people with disabilities, motivation

1. Introduction and Background

People with disabilities (PWD) include those who have long-term physical, mental, intellectual, or sensory impairments whose interaction with various barriers may hinder their full and effective participation in society on an equal basis with others (World Health Organization, 2019). According to Department of Social Welfare (DSW) statistics, up to January 2023, a total of 637,537 PWDs have been registered with DSW which has increased from the previous year. Given the data on registered PWD, the biggest concern is the unemployment rate will be higher (Mustaffa et al., 2020). Through the growing number of PWDs, the government has taken measures and contributed efforts to offer PWDs job opportunities in the government sector, to answer the social problems they face, however, the success rate remains low (Ravesangar et al., 2023).

Regarding creating jobs, the standard of living, and social inclusion, the new social innovation mechanism and principles seek to enhance the welfare of individuals, communities, and regions (Zulkifle & Aziz, 2023). It becomes imperative for the government to proactively seek out innovative strategies to effectively address and resolve the social and economic challenges faced by PWD by looking at the current economic landscape. The unemployment issues among PWDs lead to social problems or issues that are seen as an opportunity to be explored and solved in the social entrepreneurship (SE) movement and at the same time can create value in the community (Wahid et al., 2018). The emergence of SE has been gaining growing attention as a potential platform for PWDs to be employed or to be entrepreneurs themselves (Ali et al., 2019). Similar to commercial entrepreneurship, SE applies business solutions to address societal challenges and assist disadvantaged individuals while building a financially sustainable venture (Hamizan et al., 2019). Social entrepreneurship stands as a valuable tool capable of fostering both labor integration and social inclusion for PWD’s progress simultaneously (Halid et al., 2020; Zamry & Sahid, 2021). The employment opportunities and the willingness of the disabled to venture into SE can assist them in generating income and improving their ability, knowledge, and skills (Hishamuddin et al., 2023). Collectively, SE reflects a shift in contemporary policy towards entrepreneurship and self-employment as a viable employment option for PWD (Caldwell et al., 2020).

The social enterprise employment model offers job opportunities and training to employ PWD while marketing its products or services in the open market (Alter, 2007). The Department of Social Welfare (DSW), particularly its sub-department Productive Welfare, has been committed to enhancing the quality of life for
PWDb by establishing sheltered workshops and implementing community-based rehabilitation programs, to promote engagement in social entrepreneurship activities. Several measures have been implemented by the authorities to ensure that PWDs have a better life and are not excluded from society (Department of Social Welfare, 2021). A sheltered workshop program is a protected workshop under the Social Welfare Department designated for PWDs who are not able to find jobs in the open market (Department of Social Welfare, 2021). It is competitive for people with severe disabilities to secure jobs in open employment; sheltered workshops therefore are designed to give them opportunities leading to dignity, self-worth, and socialization amongst their peers (Lee et al., 2011). The sheltered workshop offers facilities and skills that enable them to achieve financial independence through the SE concept. Also, the business is predicated on the appropriateness of jobs it creates for PWD regarding skill development. This approach also aims to reduce their reliance on welfare assistance and to generate their income. The disabled from community-based rehabilitation (CBR) were also involved in SE projects. The sheltered workshops and CBR often employ PWD in a variety of subcontracting work such as packaging, mailing, sorting services for local companies, tailoring, embroidery, handicrafts, production of food, laundry, retail, and bistro (Bakti Mind, 2023). These workshops and several community-based rehabilitation programs provide encouragement, supervision, and jobs that PWD will find exciting and challenging, the pride of accomplishing meaningful work, compatible peers, and the all-important salary (Kamaruddin, 2007). Thus, SE can change the landscape of people with disabilities.

Previous studies have found that PWDs are motivated to work in sheltered workshops because of employment, acceptance, social needs, guaranteed income, self-esteem needs, being appreciated and given the facilities in the workplace (Baser et al., 2017; Mohsin et al., 2010). According to the statistics from the Department of Social Welfare, the registered number of trainees in the sheltered workshop has decreased throughout the year. In 2019 and 2020, the number of residents in sheltered workshops stood at 84. However, by 2021, this figure had decreased to 62 residents. On a different note, the release of residents from the sheltered workshop indicates that 22 individuals were released in 2020, while in 2021, the recorded number was 20 individuals. This emphasizes that social entrepreneurship ventures are attractive options for certain individuals, whereas others may choose self-employment, positions within the private or public sectors, or other personal factors underscoring the diversity of preferences within this group. Therefore, understanding the motivations that keep PWDs engaged in social entrepreneurship activities is undeniably crucial. To foster the growth of this universally beneficial phenomenon, it's essential to investigate the motivations driving PWDs to choose social entrepreneurship over other employment options. Motivation contributes significantly to the organizational performance and sustainability of an enterprise (Caringal-Go & Hechanova, 2018). Motivation is the contributing factor to sustaining PWDs in business.

Motivation is a phenomenon that helps identify the needs, behaviors, and desires of individuals. It ignites the desires and excitement of individuals to take the required steps toward achieving success, compelling them to engage in action and drive them to achieve their goals. The motivation of an individual is of course often intangible (Teck et al., 2019). Recent evidence suggests that social networks, including family, friends, and religious groups, play a significant role in motivating action (Hsieh et al., 2019). Therefore, by addressing weaknesses and gaps in previous papers, this paper aims to provide a new insight into using McClelland's theory of need in conceptualizing the relationship between motivational factors and social entrepreneurship activity particularly in the setting of PWD. This concept applies broadly across different areas to understand human behavior and holds undeniable importance, particularly in the context of social entrepreneurship. According to David McClelland (1979), to motivate someone, it's critical to comprehend their needs and desires. Corresponding to this research, a deeper understanding of the factors that motivate PWD to become involved in SE activities will be obtained as it is narrowed down to three categories. Needs theories examine individuals with diverse needs and the degree to which these needs are fulfilled or satisfied to which these are met or satisfied to explain work motivation (Caringal-Go & Hechanova, 2018). The study specifically explores whether their motivations stem from the need for achievement, affiliation, or power. The need for achievement includes the desire to do better, to solve problems, and to master complex tasks (Siok et al., 2023). The need for affiliation namely internal strength or potential human desire to establish relationships with others in various forms of relationships, such as friendship, business cooperation, or other contexts (Asari & Rosiana, 2021). The last need is the Need for Power. The need for power is the extent to which an individual desires to control or influence others. In addition, studies related to entrepreneurship are primarily concentrated on using achievement motivation (Tran & Von Korflesch, 2016). Conversely, affiliative
and power motivations have received comparatively less attention about their impact on entrepreneurship.

Hence, recognizing the motivations and reasons behind the engagement of PWD in entrepreneurial ventures becomes crucial for relevant authorities to develop strategies that encourage greater participation and involvement of PWD in such endeavors. Moreover, it will be able to reduce dependence on entitlement-based services as well as reduce employment disparities while stimulating business and job creation (Caldwell et al., 2020). By investigating these motivations, the aim is to shed light on the underlying drivers that propel PWD towards SE endeavors. Furthermore, this research has the potential to challenge existing perceptions and stereotypes regarding PWD's capabilities and aspirations. By highlighting the motivations behind their involvement in SE, we can contribute to changing societal attitudes and promoting a more inclusive and equitable environment for PWDs to thrive in entrepreneurial endeavors. Such understanding compels relevant authorities to formulate strategies that not only enhance the foundation of motivational support for social entrepreneurship but also ensure its sustained viability (Lai et al., 2019). In the view of above, an attempt was made to seek to analyze which McClelland theory of need influences the PWD to engage with social entrepreneurship activity with the following research objective.

• To examine the relationship between motivational factors and social entrepreneurship activity among people with disabilities.
• To investigate the most influencing factor of motivation among people with disabilities in social entrepreneurship activity.

2. Literature Review

Social Entrepreneurship Activity and People with Disabilities: Persons with disabilities (PWDs) are trapped in the issue of unemployment, and it is frequently debated among scholars that this causes them to be socially excluded and less involved in the national economy (Halid et al., 2020). The unemployment issues concerning young PWD influence the individual, family, community, and the nation in general (Ravesangar et al., 2023). However, these difficulties should not hinder their proactive efforts to overcome these challenges and improve their situations. The barriers experienced by PWD make it challenging for them to participate in one or more aspects of life and are commonly stereotyped with disadvantages (Usman et al., 2021).

Researchers regard entrepreneurship as a viable solution for addressing unemployment challenges among PWDs and indicate the maturity of the field of entrepreneurship as a realm of research (Kadir & Sarif, 2016; Zulkifle & Aziz, 2023). Entrepreneurship has been acknowledged to generate innovations, create job opportunities, and the development of engines of economic growth in developing nations to alleviate poverty. The entrepreneurship approach empowers society to create self-confidence and independence in the social and economic aspects of daily life. Besides, PWDs possess the inherent qualities of natural entrepreneurs, as their unique experiences can serve as catalysts for fostering independent problem-solving and innovation (Kefale & Hussein, 2020). As entrepreneurship focuses on creating profitable businesses, the processes of running and managing a business can often be complex and inaccessible to PWDs in crucial ways (Caldwell et al., 2020). People with disabilities may also be linked with major challenges such as start-up capital, lack of entrepreneurial skills, sociocultural problems, mobility issues and personal attitudes (Kefale & Hussein, 2020). These barriers can hinder their participation in entrepreneurial endeavors. Also, their ability to pursue this path relies on factors such as training, money, family support and personal factors including the type and severity of their disability (Salvador & Gaspar, 2019).

Mustaffa et al., (2020) note that SE is more effective than commercial entrepreneurship based on the ability to add value through creative efforts in solving social problems either through a non-profit or profitable approach. Individuals with disabilities often felt they had explored alternative employment avenues, making SE a potential avenue for innovation and productivity, provided sufficient support is given (Harris et al., 2014). Social entrepreneurship refers to the efforts of certain non-profit organizations or government agencies to improve the social and economic conditions of impoverished communities (Adnan et al., 2018). Taken together, participation in SE for PWDs is not merely a source of income, but at the same time, it helps them to satisfy their psychological and social needs (Mustaffa et al., 2020; Norafandi & Diah, 2017). Furthermore, SE is a financial source, but mostly a way to avoid and overcome a typical depression, generated
by disability, lack of occupation, monotony, isolation, or fear of various contexts of life that cannot be effectively controlled by own forces (Gimbuta, 2012). Besides, the literature stresses PWD participation in SE strengthens their self-esteem, and independence and reduces the feeling that disabilities are manifestations of their deficiency and that to are more motivated to contribute to society (Norafandi & Diah, 2017). Also, the involvement of entrepreneurs with disabilities in SE will produce social entrepreneurs who will contribute back to society through a variety of approaches and channels (Rozali et al., 2018). Therefore, the benefit of PWD participation in SE, perspective, and discrimination need to be emphasized. Their impairment is not the problem, but the social barriers are the main cause of their problem.

Motivational Theories: It is important to note that motivation holds particular importance in the context of social entrepreneurship among PWD, considering their unique disability circumstances. The motivation of an entrepreneur often stems from a “mindset,” shaped by individual characteristics like creativity, the need for achievement, and even ambition (Teck et al., 2019). The most prominent motivation theories often discussed about workers’ needs encompass Maslow’s Hierarchy of Needs, Herzberg’s Two-Factor Theory and McClelland’s Theory of Needs.

Maslow’s theory, suggests that early in life one should establish a basis for physiological survival and safety and once these are accomplished one should seek friends followed by achievement and self-actualization (Mathes, 1981). Deshmukh, (2019) studied the relevance of Maslow’s need hierarchy and personality traits of entrepreneurs and found that the hierarchy of needs propounded by Maslow still holds relevant for business ventures but not entrepreneurs or individuals. Uysal et al., (2017) refer to the work of Maslow tested with the data obtained from 21st-century workers that the upper-level needs would not be satisfied unless the lower-level needs are satisfied and not valid in our day. A recent study by Trivedi & Mehta, (2019) also supports that Maslow’s assumption of ‘need hierarchy’ does not apply in the modern day as each person has plenty of needs to be satisfied, which may not necessarily follow Maslow’s need hierarchy. However, Maslow’s theory is limited with certain criteria and lacks universal applicability; in conclusion, the hierarchical concept within Maslow’s theory is not suitable to the context of this study as PWDs have limited sources and exposure.

Another theory is Herzberg’s Two-Factor Theory, Herzberg’s two-factor theory outlines that humans are motivated by two things: motivators and hygiene factors. These two factors are both critical to motivation: motivators encourage job satisfaction, and hygiene factors prevent job dissatisfaction (Makerd & Siriwichai, 2022). However, these factors are not the main part of the job and do not affect the performance of employees, but they prevent poor performance due to the work restrictions. Moreover, it is less suitable for the context of a SE study as it predominantly narrows on employee motivation and job satisfaction within an organization (Lai et al., 2022).

McClelland’s theory of needs recognized that an individual has the motive to do something, by identifying three specific needs namely the need for achievement, the need for power, and the need for affiliation. The needs are learned and can be developed through events, culture, environment, and life experience (Jumbri et al., 2019; Osemeke & Adegboyega, 2017). Additionally, this theory has been popularly adopted in entrepreneurship and has been applied in many studies (Jumbri et al., 2019; Lai et al., 2022; Lloyd, 2019). This theory has been extended to other fields of study, given that the three needs can be acquired and adapted to suit different study contexts (Lai et al., 2022). According to Osemeke & Adegboyega, (2017), McClelland’s theory looks so real that it perfectly fits into real-life situations which he believes that human needs change by life experiences and the opinion of their environment makes it more natural than other motivation theories. When compared to Maslow’s theory, McClelland’s need theory is better suited for PWD engaging in social entrepreneurship activities, as it can be adapted to both personal and organizational contexts, whereas Maslow’s theory focuses on the personal context. Therefore, this theory has been adopted in this study.

McClelland’s Theory of Need

Need for Achievement and Social Entrepreneurship Activity: Miron & McClelland, (1979) describe the need for achievement as the motive to strive for success in particular situations in which a person’s performance would be compared against some type of standard. Also, individuals who have a strong need to
achieve are among those who want to solve problems themselves, set targets and strive for those targets through their efforts (Amin et al., 2018). The need for achievement has been extensively referenced in the literature and has commonly been demonstrated to be the key to entrepreneurial success (Amin et al., 2018; Fhiri et al., 2018; García & Capitán, 2021; Jumbri et al., 2019). This is because it has been observed that the need for achievement has a high correlation with entrepreneurship engagement. Previous research findings into SE identification have shown that the need for achievement is negatively correlated to the success of social ventures as it was often theorized in commercial entrepreneurship (Lehner & Germak, 2013). Moreover, social entrepreneurs typically prioritize the social or environmental impact of their ventures over personal fame or financial rewards.

**H1:** There is a positive relationship between the need for achievement and social entrepreneurship activity among people with disabilities.

**Need of Affiliation and Social Entrepreneurship Activity:** The need for affiliation is the motive to strive for positive, sometimes intimate, personal relationships; affiliation can include concern over establishing, maintaining, or restoring a positive affective relationship with another person or person (Miron & McClelland, 1979). According to Hayton et al., (2002) need for affiliation are important entrepreneurial motive and personal need, and may play a role in the relationship between characteristics of entrepreneurship courses and entrepreneurial self-efficacy, as well as study engagement. In Sarawak Malaysia, women social entrepreneurs were highly motivated by the need for affiliation. Lai et al., (2022) hold the view that by attending courses and training, the locals mingle, interact, and communicate thus strengthening their relationship by understanding each other and being able to discuss the specific issues affecting them. Yee et al. (2019) observe that women social entrepreneurs can interact with others while operating their businesses, including suppliers, clients, colleagues, and other entrepreneurs, as compared to housewives, who may have fewer opportunities to meet people. Having low affiliation motivation, however, does not mean that entrepreneurs are lacking in social skills (Decker et al., 2012). Similar to PWD, these people need support and encouragement in ensuring their survival is assured.

**H2:** There is a positive relationship between the need for affiliation and social entrepreneurship activity among people with disabilities.

**Need for Power and Social Entrepreneurship Activity:** The need for power appears in one's motivation to influence their environment, with a strong character to lead and to have ideas to win (Arif et al., 2020). They want to make an impact on others, influence others, change people or events, and make a difference as a personal wish. Jumbri et al., (2019) found that women entrepreneurs scored moderately high for the need of power after the need of achievement. This explains that the need for power is particularly relevant for women entrepreneurs who seek to ensure that their perspectives and ideas take precedence, enabling them to assume leadership positions and exert influence in their entrepreneurial endeavors.

**H3:** There is a positive relationship between the need for power and social entrepreneurship activity among people with disabilities.

**Conceptual Framework:** In this study, social entrepreneurship activities are operationally defined as the channel for PWDs to pursue new opportunities that aim to enhance their overall well-being. Therefore, a theoretical model, as illustrated in Figure 1, is proposed to examine the relationship between the independent variables of achievement needs, power needs, and affiliation needs, and the dependent variable of social entrepreneurship activity. Through testing these variables, this research aims to determine the motivational factor that most significantly impacts PWD when engaging in social entrepreneurship activities.

![Figure 1: Conceptual Framework](image-url)
3. Methodology

This study adopts a positive approach and utilizes a quantitative correlational design to examine the link between motivational factors and social entrepreneurship activity among people with disabilities (PWD). The study will be conducted by the Department of Social Welfare Malaysia in sheltered workshops and selected community-based rehabilitation that is equipped with social entrepreneurship. The research will employ purposive sampling to gather data through a paper questionnaire. The unit of analysis for this study is individuals who meet the following criteria: being a PWD aged 18 years and above, registered with the Department of Social Welfare Malaysia, actively involved in social entrepreneurship activities, and proficient in either Malay or English.

Development of Instrument: The research instrument for this study will be developed based on an extensive literature review, combining existing validated measurements. The questionnaire will consist of four sections, namely demographic profile, McClelland’s Theory of Need, and social entrepreneurship activity. The instrument's content validity will be further verified by social entrepreneurship experts and officials from the Division of Productive Welfare within the Department of Social Welfare Malaysia. This validation process ensures that the instruments are optimally tailored for PWD.

Demographic Profile: Section A will be focused on the PWD demographic profile. In this section, the researcher uses a nominal scale that consists of gender, age, race, marital status, educational level, monthly income, and disabled category since these are frequently discussed in the literature related to social entrepreneurship and persons with disabilities (Kalargyrou et al., 2020; Makerd & Siriwichai, 2022).

McClelland Theory of Need: The research instrument utilized in this study draws inspiration from the Manifest Needs Questionnaire developed by Steers & Braunstein, (1976) and has been enhanced by incorporating elements from the instrument developed by Ling et al. (2022). Respondents were requested to assess their motivation using a set of five statements about the need for achievement, another set of five statements related to the need for affiliation, and an additional set of five statements associated with the need for power. These statements aimed to gauge the motivational factors that drive their engagement in their present occupation.

Social Entrepreneurship Activity: In Section C, the focus shifts towards the engagement of people with disabilities (PWD) in social entrepreneurship activity. Respondents were requested to assess social entrepreneurship activities in terms of their economic and social contributions. To achieve this, items from the study conducted by Lai et al. (2022) were utilized. It is important to note that the original instrument was developed for female social entrepreneurs in Lundu, Sarawak. However, for this study, the items have been adopted and customized to suit the specific context of the current research, which involves PWD participation in social entrepreneurship.

Data Collection Procedures and Plan for Data Analysis: To ensure a comprehensive representation of PWD, the information for this study will be collected through an administered survey. The quality can be enhanced by aiding PWD in answering the questionnaire with a support person by translating the questions with the situation that can be related to them. To ensure the smooth facilitation of the survey process, the researcher sought the assistance of the facility manager and an instructor who was experienced in working with individuals with disabilities. Their expertise and understanding of the participants’ needs helped to create a supportive environment for the respondents. Their involvement contributed to improving the overall quality of the survey data by ensuring accurate understanding and interpretation of the questionnaire items among the participants with disabilities. The collected data will be analyzed using SPSS for data screening and descriptive statistics. The measurement and structural models of the study will be evaluated using Partial Least Squares Structural Equation Modeling (PLS-SEM).

4. Conclusion

The main objective of this conceptual paper is to investigate the relationship between motivational factors and social entrepreneurship activities among PWDs. Additionally, modeling the relationship between the
variables would make a significant contribution to the literature through the application of McClelland's theory of need. The motivation of PWD interested in social entrepreneurship needs to be tested because it is a dynamic process and motivations may change over. While the disabled group may not be the dominant group in society, it is essential to recognize that they can still have a significant impact on a country. By identifying the most influential factors or motivations among PWD, we can foster awareness and understanding, thereby sustaining, and creating a supportive environment for them to thrive in social entrepreneurship activity. It is crucial to recognize that while PWDs may face limitations, removing barriers and providing equal opportunities can empower them to sustain and succeed in the entrepreneurial landscape. Despite the challenges they may encounter, these individuals are making strides forward both socially and economically. To summarize, the unity of disabled people in advocating for their rights, coupled with their active participation in social entrepreneurship, can be a powerful means to have their voices heard, address their needs, and promote socio-economic empowerment within the disabled community. People with disabilities should not easily give up or lose hope; instead, they should continue to strive and demonstrate their abilities.

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