

**A Study on the Motivational Factors Behind New Venture Creation in Gautam Buddha Nagar**Ritika Goyal<sup>1</sup>, Dr. Payal Thakur<sup>2</sup><sup>1</sup>Research Scholar, NIMS School of Business, NIMS University, Jaipur, Rajasthan, India, [ritikagoyal678@gmail.com](mailto:ritikagoyal678@gmail.com)<sup>2</sup>Assistant Professor, NIMS School of Business, NIMS University, Jaipur, Rajasthan, India, [payal.thakur@nimsuniversity.org](mailto:payal.thakur@nimsuniversity.org)**Abstract****Purpose:** The study aimed at exploring the motivational factors that influenced a new business establishment among entrepreneurs in MSMEs in Gautam Buddha Nagar.**Methodology:** The study obtained primary data using a structured questionnaire containing 17 items related to motivation which were handed out to 400 MSME entrepreneurs. Factor analysis was the first step in uncovering the latent factors of motivation and then, as the second step, cluster analysis was implemented to classify the entrepreneurs into different motivational groups. ANOVA was applied to examine the differences in entrepreneurial behavior across the cluster groups.**Results:** The study revealed four dominant motivational aspects: Need for Achievement and Impact, Need for Recognition and Innovation, Need for Independence and Self-Development, and Need for Financial Stability and Work-Live Balance, and five entrepreneurial clusters (Stability-Oriented, Recognition-Driven, Independent Growth-Oriented, Balanced and Pragmatic, and High-Risk Competitive) were recognized. The research pointed out that entrepreneurs fueled by achievement, innovation, and independence showcased greater business persistence, and financial stability would thus use more conservative strategies.**Implications:** The study reveals that one of the main factors for starting a business was making money, and at the same time emphasizes that different kinds of entrepreneurs need different types of government support and incubation measures.**Originality/Value:** The study provides insights that are specific to the context regarding the different kinds of motivations and their effects on the sustainability of ventures in the case of an emerging economic region.**Keywords:** Entrepreneurial motivation, Gautam Buddha Nagar, MSMEs, New venture creation.**1. Introduction**

Entrepreneurship is the practice that starts with the activity and formation of a novel enterprise (Abegaz et al., 2023). It was further argued by Barot (2015) that entrepreneurship is a success factor and anyone who establishes a new business or organization is already in a new paradigm of entrepreneurship. There is some agreement among scientists that some types of business action are linked to economic growth (González et al., 2019; García-Rodríguez et al., 2017; Gras et al., 2010; Hormiga et al., 2010). People have always known that entrepreneurship is a key driver of economic growth and progress. As countries get stronger and global markets become more connected, the role of business in encouraging new ideas, creating jobs, and raising output has grown (Nanduri & Bhagat, 2024). The process of turning an idea into a business is long and difficult, and it depends on a lot of things. Being an entrepreneur means starting new businesses. A lot of management, group behavior, and strategy management theories are built around this one idea (Edeling & Wies, 2024).

Several past theory studies are used in this empirical work to look at these key factors and how they affect people. This helps us figure out what traits and qualities are most important for entrepreneurs when they are deciding whether to start a business. When different people decide to start a business, it's because they have different reasons and goals. It adds to recent study by putting together different personal factors that affect how people feel about working for themselves in a business decision-making model. To sum up, we've found that different amounts of these things lead to different reasons for being a business. The study itself shows that there are seven main reasons why people start their own businesses. These are the seven main reasons why people start their own businesses. They are added to the decision model as causes. Then, we use this framework to talk about the kind of person who starts a business and where they are going. The remaining section of the paper is structured as followed. The section 2 presents the theoretical framework for understanding the entrepreneurial behavior and the motives for creating a business. The section 3 presents the sample and the research methodology. After results are reported in section 4, the main conclusions, and recommendations are outlined in section 5. The final section offers limitations and future research.

**2. Literature Review****2.1 Theoretical Framework**

**Push-Pull Theory of Entrepreneurial Motivation (Shapero, 1975):** The Push-Pull Theory explains new venture creation through necessity-based and opportunity-based motivations. Push factors, such as an edge in employment, insecure jobs and poor quality of existing work, are among the factors pushing people away, while pull factors attract people with such things as self-management, making money, coming up with new ideas, and being recognized by society. This theory proposes that the act of entrepreneurship is the result of the external forces, problems, or attractive opportunities that induce individuals to open up a new business, thus making the theory applicable for analyzing the behavior of the start-up creation process.

**Need for Achievement Theory (David C. McClelland, 1961):** The Need for Achievement Theory indicates that individuals having a high need for achievement are more likely to engage in entrepreneurship. McClelland (1961) highlighted the traits like goal setting, perfectionism, taking calculated risks, and accountability. These types of people are incentivized to establish new businesses to earn financial success and personal satisfaction, thus making the theory pivotal in research related to entrepreneurial motivation and venture creation.

**2.2 Individual and Psychological Motivational Drivers of New Venture Creation**

Entrepreneurship has been recognized more and more as an important driving force behind innovation, economic development and job creation, especially in such fast-paced areas like Gautam Buddha Nagar. During this economic transformation of the region, it is essential to grasp the motivational factors of new venture creation. The entrepreneurial motivation literature always points out that individuals are motivated not only by profit but also by the intricate interplay of personal, social and psychological factors. This review references existing studies that investigate these multiple drivers and their impact on entrepreneur behavior; thus, providing a basis for formulating research questions regarding the motivations of business start-ups and how these motivations affect their actions.

The role of individual and psychological motivational drivers is paramount in the process of new venture creation. Numerous factors influencing entrepreneurial behavior have been brought to light by the research. Psychoanalytical viewpoints assert that among the unconscious mechanisms and the stages of dreaming and idea formation, the one that eventually leads the entrepreneur to the new venture is the one that reveals the "dark side" of motivation beyond the rational economic factors (Metallo et al., 2020). On the other hand, positive psychology research indicates that the main source of motivation for entrepreneurs who are continuing their enterprise is very often positive feelings such as happiness and satisfaction which make an entrepreneur continue their road despite the risks of uncertainty and failure (Su et al., 2020). Individual intention to become an entrepreneur is significantly influenced by self-motivation, family and peer support, institutional backing, and psychological capital which act as mediators between attitudes and the decision to start a business (Shahzad et al., 2021; Mahfud et al., 2020). Competencies like planning, commitment, and organization not only make the transition from intention to actual business activity easier but also underpin the importance of the perceived self-efficacy in the early stages of the venture (González-López et al., 2020; Gieure et al., 2020). Furthermore,

entrepreneurial curiosity and passion have a positive impact on the development of new venture ideas as well as team performance; however, having different levels of passion in a team can result in poor outcomes for both short and long-term periods (Li & Hu, 2025; Mol et al., 2020). Motivation plays a crucial role in new venture creation and is frequently the first step in the entrepreneurial process. A misconception regarding entrepreneurs is that they simply wait for opportunities; in fact, they are people who strive for goals. Research conducted by Schjoedt et al. (2025) reveals that the entrepreneurs who succeed set clear and actionable goals that not only guide their way but also serve as the basis for measuring their progress and outcomes. Such goal-oriented actions are triggered by personal motivations like the wish to achieve, innovate, and have control over one's future. This is in line with the usual reasons put forward by entrepreneurs which are the wish to make good use of their education, the desire to realize their own ideas, and the necessity to secure a financial base. Financial motivation is still one of the strongest arguments for starting a new business. Entrepreneurs usually indicate the need to get richer, to get rid of financial insecurity, or to have their retirement funds as the main reasons for starting a business. In the case of Malaysia, the "pull" factor was identified as the main driving force behind the e-commerce ventures as the potential for higher income and personal interest in businesses were the significant factors that caused the startup activity (Fadzil et al., 2023).

Equally significant is the desire for autonomy, frequently reflected in statements like "I want to make my own decisions" or "I want to take responsibility rather than follow orders." Business ownership has always been the main source of freedom and independence for entrepreneurs. Debrulle et al. (2020) highlighted that such motivation by oneself has a good impact on the financial performance and the success of the venture as a whole. On the contrary, the controlled motivation of the need to conform to social expectations hinders innovation. Moreover, the autonomy allows the entrepreneur to think about their family or personal considerations and choose a work-life balance that suits them best. Quite similar to this is the need to achieve, a characteristic that has been accepted for a long time in relation to entrepreneurial intention. The entrepreneurs want to be recognized, feel personally satisfied, and take risks on their abilities. Stewart and Roth (2007) discovered that the correlation between achievement motivation and venture performance is so strong that the influence of the external environmental conditions can be completely disregarded. To the majority, the experience of manufacturing something from scratch is even more significant than the financial return it may offer.

### **2.3 Autonomy, Innovation, and Social Motivations in Entrepreneurial Behavior**

Innovative thinking and creative ways of doing things are the factors that set entrepreneurs apart from the rest of the profession. The need to come up with something new, in the form of products, services, or processes, is a universal motivator among entrepreneurs around the world. This aligns with motivation statements like "I want to introduce original ideas" or "I can come up with my own product." Among the various types of entrepreneurial activities, innovation-driven opportunity-based entrepreneurship is often seen as the most productive. According to Sedeh (2018), entrepreneurs that have a high level of motivation to bring new and different ideas to life are more likely to choose the path of high-growth ventures, and this is especially true when institutional enabling is provided. Even though personal ambition is one of the main driving forces, there are instances when the entrepreneur's social and emotional motives play a major role in guiding him/her. These may include such reasons as the wish to assist others, to create job opportunities or to keep a family tradition going. In such instances, the process of new business start-up is more affected by social or family ties than by the pursuit of profit. Social entrepreneurs, for instance, may not be going for high profits but rather for filling the voids in their communities. Interestingly, Hadejia (2023) discovered that socially and commercially minded entrepreneurs, while often having similar motivational profiles, are affected differently by the specific type of motivation (self-efficacy versus tenacity) as far as the speed and nature of venture formation is concerned. Researchers have also critically highlighted a distinction between internal and external motivators. Internal motivations, including autonomy, interest, and the desire for success, are said to be more enduring. They are linked to higher resilience, adaptability, and steady business performance over the long run. On the other hand, external sources of motivation like the need for money or the desire for recognition from colleagues may initiate startup activity but usually do not support it through tough times. Fadzil et al. (2023) point out that internal factors such as enthusiasm and self-fulfillment are better and more regular than the external ones in predicting the sustainability of a venture. The main thing that separates types of motivation and the latter is that psychological traits and skills are the ones that mediate the relationship between intent and behavior. Tenacity, passion, and self-efficacy are among the traits that the most and the least people influence when it comes to the leading of motivational intent to startup behavior. Baum (2013) through a longitudinal study proved that entrepreneurs who have high self-efficacy and clear goal orientation are more likely to have substantial venture growth. These traits serve as filters through which motivation is activated, sustained, and directed. The main factors causing entrepreneurial behavior to take place, mainly in social and office settings, are autonomy, innovation, and social motivations. Social entrepreneurial orientation, which is composed of innovativeness, social proactivity, and risk-taking, is a strong factor in shaping intentions towards social entrepreneurship, with social vision affecting intentions indirectly through attitudes (Tu et al., 2021). The concept of autonomy in the workplace leads to innovative employee behavior, especially when complemented by the firm's commitment to social responsibility initiatives, thereby demonstrating the part of intrinsic motivation in innovation (Li et al., 2021). The individual entrepreneurial orientation (IEO) which includes proactiveness, risk-taking, and innovativeness, also positively affects the performance of the digital strategy and team, with relational capital being a moderator of these impacts (Covin et al., 2020; Ritala et al., 2021). On the other hand, social motivations, such as pro-sociality and social assertiveness, are positive factors of the entrepreneurial aspiration and well-being, although pro-sociality may in some cases have negative impacts on volitional intention (To et al., 2020). Actually, social capital and knowledge sharing open the door for women entrepreneurs to come up with new ideas even when they are confronted with cultural and resource limitations, thus the social aspect of entrepreneurial motivation is highlighted (Setini et al., 2020).

### **2.4 Research Gap**

Even though the aspiring entrepreneurs have a very strong motivational intent, they still do not move to the actual venture creation. Linder and Nippa (2019) take a close look at this divergence between intention and behavioral research and claim that the motivation factor cannot fully explain entrepreneurial action. The decision-making process is heavily influenced by personal beliefs regarding outcome expectancy, risk-taking, and feasibility, as demonstrated by psychological theories such as expectancy theory. In the event that the situation is viewed as dangerous by the driven people or their self-confidence is not high, they may opt to remain inactive. This understanding is very important for understanding the character of entrepreneurship in areas like Gautam Buddha Nagar, because the socio-economic diversity and the presence of institutional barriers might influence both the motivation and the actual activity. To fill this gap the study follows this objective:

*Obj1 To examine the key motivational factors influencing individuals to initiate new ventures in Gautam Buddha Nagar.*

In conclusion, the studies indicate that the reasons behind entrepreneurship are complicated and differ with each situation. The decision of a person to go into business is determined by such factors as money expectations, independence, honor, innovation, and the welfare of society. Besides, traits like self-assurance and determination will also categorize these motivations and hence influence the practices associated with entrepreneurship. Recognition of these motivators provides the ground knowledge for identifying the factors that attract entrepreneurs in Gautam Buddha Nagar and the influence of such factors on their business trails. This understanding can influence the way research objectives and survey instruments are constituted since they would then be designed in a way that captures both the breadth and depth of the entrepreneurial motivation.

### **3. Methodology**

The absence of secondary sources regarding the entrepreneur's motivations for starting a business prompted us to carry out a fieldwork survey in Gautam Buddha Nagar, Uttar Pradesh, India. Through our focus on MSMEs (micro, small, and medium-sized enterprises) we were able to gather important information regarding the motivation behind starting a business. The target group consisted of entrepreneurs or company heads who run MSMEs. Our data gathering method was questionnaire surveys. We created the questionnaire ourselves and, at the beginning, it

contained 19 items labeled on a 5-point Likert Scale which is considered by Evrard et al. (2003) one of the most refereed opinion studies. Entrepreneurs (owners) are to select one number that shows the level of importance attached (1 = no importance, 5 = very important). To ensure the questionnaire's validity and reliability, a pilot study was conducted. The reliability of the constructs was above 0.7 for all constructs, which indicates good internal consistency (Nunnally, 1978).

The Yamane formula, a well-recognized technique for determining sample sizes in research involving finite populations, was employed to ascertain the sample size for this study. During the time of this study in the region, the total number of SMEs registered in Gautam Buddha Nagar, Uttar Pradesh was 88291. Based on the Yamane (1973) sample size formula with an error of 0.05, it was concluded that the minimum sample size for the present study was 398. The study has opted for a larger sample size of 400 to ensure more reliable and accurate results.

**Table 1: Demographic of Respondents**

Profile	Percentage
<b>Gender</b>	
Men	66%
Women	34%
<b>Age</b>	
18 years to 29 years	26%
30 years to 39 years	29%
40 years to 49 years	24%
50 years and over	21%
<b>Education</b>	
Bachelor or less	40%
Maters	29%
Ph.D.	09%
Professional Degree	22%
<b>Activity</b>	
Manufacturing	21%
Service	35%
Trading	21%
Agricultural and Allied Activity	06%
Construction	10%
Other	07%

Source: Own Development

We utilized principal components factor analysis to minimize the number of factors and ease our interpretation of the findings. However, in the first phase of this process, two items, "MOTV06: I have a desire to be independent." and "MOTV10: I want to build something that benefits my children" did not load significantly on any of the dimensions. Therefore, we excluded those two items from the analysis. After identifying the primary motivational factors for entrepreneurs, we then proceeded to analyze how these factors influenced the entrepreneurial behaviors of the entrepreneurs. Thus, following the arguments of Dubini (1988), Westhead and Wright (1998), and Stewart et al. (1999), we applied the motivational factors, which we had previously identified, to categorize the entrepreneurs through a cluster analysis. Consequently, we performed an analysis of variance (ANOVA), with the decision to reestablish the company as the dependent variable and cluster membership as the independent variable. In Table 1, the profile of the selected participants has been provided.

Finally, Table 2 represents the Cumulative average of 17 quantitative items. The item with the higher mean was placed first.

**Table 2: Motivational Scale and Mean Score for Motivation of Entrepreneurs**

Code	Items	Mean
MOTV16	I want to make more effective use of my education and expertise	4.25
MOTV14	I want to succeed and be acknowledged	4.21
MOTV17	I want to become wealthier and gain financial security	4.12
MOTV15	I can come up with one's product or company	4.01
MOTV09	I want to introduce original ideas about products or processes	3.98
MOTV11	I want to take on a challenge, risking it all to guarantee employment	3.93
MOTV07	I want to save for my Retirement	3.90
MOTV19	I want to make my own decisions and do what I want.	3.75
MOTV18	I feel that I'm able to take responsibility, rather than follow orders	3.70
MOTV13	I want to accomplish better flexibility in both my personal and family life	3.51
MOTV01	I want to create my own Job	3.48
MOTV02	I want to be an example of someone who admired	3.41
MOTV04	I want to help and provide opportunities to weaker sections of society	3.34
MOTV12	I want to develop myself	3.30
MOTV03	I want to continue a family tradition	3.28
MOTV08	I want to cover my personal needs	3.18
MOTV05	I want to create new job opportunities for society	3.08

Source: Own Development

#### 4. Results and Analysis

**4.1 Motivational Factor:** Using the information provided by the company founders in our sample, we examined the latent dimensions that are summarized in the information contained in the 17 items related to the reasons to create a company, using factor analysis, and thus determined which motivational factors were most influential (Barba-Sánchez & Atienza-Sahuquillo, 2012). However, before doing so, we tested the appropriateness of the correlation matrix for the factor analysis, using several methods that revealed the adequacy of the data, the KMO index (0.661), and the Bartlett test of sphericity (chi-square = 595.651;  $r = 0.000$ ) (Bartlett, 1950). Four factors were received from the factor analysis with eigenvalues that were at least equal to those of the 17 items. The commonality between the factors and the variables was also high with (>0.41) values, which meant that the components had a strong explanatory power.

In order to make the factors easier to interpret, a Varimax rotation with Kaiser Normalization was used. The matrix showing the factors more clearly revealed the component structure and made the interconnections between the variables more distinct. The pattern matrix resulting from this rotation is included in Table 3. The component scores enabled us to give a meaning to the factors formed through the analysis.

The first factor (FACT1) was significantly characterized by the variables "I want to create my own job" (MOTV01) and "I want to create new job opportunities for society" (MOTV05), which had loadings of 0.560 and 0.688, respectively. These factors are very much connected to the requirement for success and represent the entrepreneur's drive and the belief in help of society through the creation of valuable job opportunities.

This point of view agrees with McClelland's theory (1961), which argues that the need for achievement compels people to set and, through their efforts, get to the top of difficult goals.

Additionally, the variables “I want to be an example of someone admired” (MOTV02) and “I want to continue a family tradition” (MOTV03) demonstrated moderate to high loadings of 0.585 and 0.543, respectively, on this factor. The recognition and legacy factors have been notably recognized by the entrepreneurs who wish to inspire others and at the same time be true to their families or societies. This drive can be associated with the theory of self-actualization, where people derive satisfaction from being good examples and preserving cultural or family values.

**Table 3: Principal Component Factor Analysis and Factor Loadings for Motivation Variables**

	Rotated Component Matrix <sup>a</sup>			
	Component			
	1	2	3	4
MOTV01	.560			
MOTV02	.585			
MOTV03	.543			
MOTV04	.671			
MOTV05	.688			
MOTV07				-.541
MOTV08				.596
MOTV09		.496		
MOTV11		.594		
MOTV12			.656	
MOTV13				.496
MOTV14		.653		
MOTV15		.645		
MOTV16		.476		
MOTV17				.508
MOTV18			.649	
MOTV19			.701	
Extraction Method: Principal Component Analysis.				
Rotation Method: Varimax with Kaiser Normalization.				
a. Rotation converged in 5 iterations.				

Source: Own Development

Additionally, the high saturation level (0.671) for the variable “I want to help and provide opportunities to weaker sections of society” (MOTV04) clearly connects to a need for social impact. The acknowledgment of this characteristic is indicative of a huge commitment to the betterment of the society since the entrepreneurs see their enterprises as a means to the poor and the battle against social inequalities. The latter statement reinforces the idea that the majority of times, entrepreneurship is not only for personal gain but also directed towards social causes of a larger scale (Ahmed, 1985).

The personal factors that are impacting this aspect might differ somewhat but they all orbit around the same area of human needs being the need for success and impact where personal gratification comes from clearness of mind, burning legacy, and good change in the world. Individuals who opt for the factor as their driving force want to both enrich their lives and uplift the lives of others, and this is an evident scenario of duality of self-actualization along with social responsibility. Being overly clear, in order to sidestep seeming to assimilate overlapping terms, we denote this factor as “**Need for Achievement and Impact**”.

The second factor (FACT2) was characterized by the strongest correlation with the items “I want to succeed and be acknowledged” (MOTV14) and “I can come up with one's product or company” (MOTV15), which received the highest loadings of 0.653 and 0.645 accordingly. The craving for recognition and for being innovative goes hand in hand with these variables, depicting a more or less dual nature of the entrepreneurial character that seeks both professional and personal approval. This aligns with McClelland's (1961) settlement of the need for achievement as a primary motivator of entrepreneurs' activities. This segment of entrepreneurs will, in effect, do whatever it takes to make an impact as “winners”, and the route they choose to attain this is public and peer recognition as successful and creative performers. Moreover, the variable “I want to introduce original ideas about products or processes” (MOTV09) was shown to have a moderate loading (0.496) on this factor, which confirms the importance of creativity and originality in entrepreneurship. In a case like this, it implies that the entrepreneurs wishing to utilize this dimension are rule breakers and would like to, maybe even more aptly, think of genuinely original ideas; thus, the correlation of innovation with successful entrepreneurship becomes even more prominent. This originality requirement aligns with Ahmed (1985), who views newness as one of the critical characteristics of successful entrepreneurship. Moreover, the variable “I want to take on challenges” (MOTV11) revealed powerful loading of 0.594, which was a sign of the entrepreneur's inherent drive to overcome obstacles and win in tough conditions. The case demonstrates the significant role of self-efficacy, and belief in one's abilities to manage situations and create change on a macro scale. Their apprehension to engage with problems constructively motivates them to innovate and succeed.

Moreover, the factor “I want to make more effective use of my education and expertise” (MOTV16) has a significant loading of 0.476, which highlights the significance of applying the current knowledge and abilities. Such entrepreneurs consider their education and professional competencies as fundamental assets when it comes to innovation and running their business successfully. This indicates a practical, cognitive entrepreneurial style, where personal resources are fully employed to attain the goal.

This illustrates the importance of recognition and creativity while gauging success through individual acknowledgement and the establishment of novel pathways and the surmounting of challenges. Therefore, the synthesis of all these factors reflects that entrepreneurs in this segment are deeply driven by the desire to exert their creative and talent efficiently. Consequently, we refer to this factor as “**Need for Recognition and Innovation**”.

The third factor (FACT3) is notably characterized by the variable “I want to make my own decisions and do what I want” (MOTV19), which revealed the highest loading (0.701). This particular trait closely correlates with the desire for self-governance. An entrepreneur's need for control over both his/her work and life is exemplified here. This supports the thinking of McClelland (1961), where the need for autonomy ranks high as an entrepreneurial motivator. These self-characterized entrepreneurs wish to flee the traditional vertical management systems and therefore, tend to value highly, the ability to exercise their own discretion.

Additionally, the variable “I feel that I'm able to take responsibility, rather than follow orders” (MOTV18) showed a significant loading (0.649), reinforcing the inherent drive for autonomy and self-direction. This trait is associated with energetic and power-seeking people which denotes

the ability and readiness to take on tasks and be answerable for them. The quest for liberty enables the innovators to carve their own niches and manage their enterprises which ensures that their choices are in alignment with their moral and business principles.

Furthermore, the variable “I want to develop myself” (MOTV12), which has a notable loading of 0.656, highlights the entrepreneurial drive for self-improvement and growth. The value exemplifies the intrinsic drive for personal and business development, reinforcing the notion that the entrepreneurs in this category view their firms as vehicles for attaining their optimal potential. This development need aligns with Ahmed’s (1985) study, which articulates that personal advancement and self-betterment constitute the primary factors behind entrepreneurial success.

The stated variables represent self-construct and self-realization, where entrepreneurship is perceived as a liberated, self-fulfilling journey that fosters both personal and professional development. Individuals in this particular factor demonstrate a high level of ownership, a reluctance to delegate their employment circumstances to other people, and a high need for personal development. Based on these findings, we name this factor “**Need for Independence and Self-Development**”.

The fourth factor includes the indicators “I want to cover my personal needs” (MOTV08) and “I want to become wealthier and gain financial security” (MOTV17), which have relatively high loadings (0.596 and 0.508, respectively). The factors indicated by the variables place particular emphasis on individual requirements and the need for economic security. Entrepreneurs driven by this factor seek to establish an economic foundation that is both solid and safe from the perils of the entrepreneurial process.

Additionally, the variable “I want to accomplish better flexibility in both my personal and family life” (MOTV13), with a loading of 0.496, highlights the necessity of work-life balance. That is an indication that these entrepreneurs place a high priority on managing their personal and professional spheres in good sync along with being able to choose the time and place for such management. They also want to find a way to take care of their personal duties at the same time as following their dream career. The outcome was consistent with Gabriellsson and Politis’ (2011) assertion that among the main motives for engaging in a business of one’s own or self-employment is entitled “freedom”.

On the other hand, the variable “I want to take on a challenge, risking it all to guarantee employment” (MOTV07) is characterized by a negative loading (-0.541). People engaged in this sector of trade exhibit a limited capacity to manage risk. In most cases, when entrepreneurs aim at their targets, they avoid unpleasant or hazardous situations and instead opt for the easiest and safest ways of getting there. This negative association reveals a very practical side of these people; they care more about their personal needs and financial security than about getting involved in big-risk opportunities.

This factor reflects a risk-averse business strategy that also shows a clever balance between the economic safety of the company, the owners’ personal needs, and the flexibility of their lifestyles and work. This class of entrepreneur’s positions security and predictability as the first priorities of their enterprises. They do not take unnecessary risks and use their assets to maintain the balance between their personal and professional lives. Based on these insights, we label this factor as “**Need for Financial Stability and Work-Life Balance**.”

#### 4.2 Identification of Entrepreneurs

A clustering research study divided business according to their primary motivation. To determine the best number of clusters, a hierarchical method was used, leading to the calculation of the final cluster centres as shown in table 4. The interpretation of the various clusters reflects the values adopted for each factor, according to the centroids of the different clusters. Therefore, the more positive the value, the more important is the motivational factor for the businesses that constitute that cluster; the more negative the value, the less important it is. Thus, we can describe the different groups. The grouping of business is presented as follows:

**Table 4: Cluster Analysis**

Factors	Final Cluster Centers				
	1	2	3	4	5
1	1.82711	-.26108	-.44382	-.34736	.42813
2	.23658	.55051	-.10333	-.05480	-2.48891
3	-.34554	.50482	-.93572	.85005	.53875
4	.17842	-.85256	.05752	1.05504	-1.18334

Source: Own Development

Notes: Factor 1 = Need for Achievement and Impact; Factor 2 = Need for Recognition and Innovation; Factor 3 = Need for Independence and Self-Development; Factor 4 = Need for Financial Stability and Work-Life Balance.

**Cluster 1: Stability-Oriented Entrepreneurs (58 Entrepreneurs):** The Need for Achievement and Impact scores (Factor 1) of this group are the highest among all others. It could be interpreted as the indication of their insistence on the consideration of real progress and task accomplishments. On the other hand, however, they do not have a positive figure for Independence and Self-Development (Factor 3), -0.34554, which means that they still chose the lesser of two evils in the case of freedom. Still, it is true for these companies that their plans are excellent, and a safe financial system backs them up. The fact that they obtained a moderate score of 0.17842 for Financial steadiness and Work-Life Balance (Factor 4) denotes that they are more inclined towards stability rather than taking risks.

**Cluster 2: Recognition-Driven Entrepreneurs (103 Entrepreneurs):** The factor 2 Need for Recognition and Innovation (0.55051) is the leading cause of influence in this cluster. It shows that human beings are looking for recognition, want to be successful, and are very likely to engage in creative work. At the same time, they ranked low (-0.85256) on the Financial Stability and Work-Life Balance (Factor 4), meaning that they do not care much about having a good lifestyle and being financially secure. Hence, these entrepreneurs are inclined to start up high-risk, innovative businesses without considering much their future safety.

**Cluster 3: Independent Growth-Oriented Entrepreneurs (128 Entrepreneurs):** The top tier consists of people who demonstrate the least scores on Financial Stability and Work-Life Balance (Factor 4) (0.05752), which means they would opt for liberty instead of safety. Another proof of their non-reliance on others’ validation is their low score of -0.10333 on the Need for Recognition and Innovation (Factor 2) test. However, the high score of this group on Independence and Self-Development (Factor 3) (-0.93572) confirms their wish to labor, select, and start businesses that are entirely dependent upon them.

**Cluster 4: Balanced and Pragmatic Entrepreneurs (90 Entrepreneurs):** The aforementioned companies easily topped the list in the categories of Financial Stability and Work-Life Balance (Factor 4) with a score of 1.05504, which is a definite indication of their approach to safety, viability, and sound business practices. On the other hand, their negative score of -0.34736 on the Need for Achievement and Impact (Factor 1) suggests that they are not adopting the competitive advantages and significant changes in the market. The minor positive score of 0.85005 in the Independence and Self-Development (Factor 3) question indicates that they appreciate freedom, but they also think about making good decisions.

**Cluster 5: High-Risk, Competitive Entrepreneurs (21 Entrepreneurs):** The least number of all but the most conspicuous grouping. They achieved a very impressive drawing of 0.42813 in Need for Achievement and Impact (Factor 1), which shows that they have the strongest drive and the most assertiveness. They reported the lowest score in Financial Stability and Work-Life Balance (Factor 4) (-1.18334), which reveals that they even go so far as to taking risks and do not care much for safety nets. Their score in Need for Recognition and Innovation (Factor 2) (-

2.48891) is very low, suggesting that they do not expect support from others; they only want to be the winners in the war. The members of this group are the ones who are involved in stock market trading with high risk for high return.

#### 4.3 Impact of Motivational Factors on Entrepreneurial Behavior

An analysis of variance (ANOVA) was conducted to evaluate whether cluster membership had a significant influence on the probability of the entrepreneurs restarting their businesses. It was that the achievers, innovators, and independent entrepreneurs are more likely to take risks and further develop their businesses, whereas those primarily interested in financial security and work-life balance are still looking for the least risky option. The result of this analysis is presented in table 5.

**Table 5: Analyses of Variance**

Cluster	Mean
Stability-Oriented Entrepreneurs	4.3621
Recognition-Driven Entrepreneurs	4.00
Independent Growth-Oriented Entrepreneurs	4.1484
Balanced and Pragmatic Entrepreneurs	1.9778
High-Risk, Competitive Entrepreneurs	4.2381

Source: Own Development

### 5. Discussion

The main goal of this paper was to investigate the driving forces behind startup formation in Gautam Buddha Nagar, particularly to comprehend the rationale given by entrepreneurs for starting a business and the extent to which those reasons steer their entrepreneurial actions. The application of factor and cluster analysis by the research unveils not only the diversity of entrepreneurs' motivations but also the categories that result from it. The factor analysis revealed four primary motivational constructs: (1) Need for Achievement and Impact, (2) Need for Recognition and Innovation, (3) Need for Independence and Self-Development, and (4) Need for Financial Stability and Work-Life Balance. The categories presented reflect the results of previous studies in the field of entrepreneurship. For instance, the need for achievement and the desire for social contribution are consistent with McClelland's (1961) theory of achievement motivation, while the need for autonomy and self-direction very much overlap with the tenets of self-determination theory (Deci & Ryan, 1985). As a case in point, the financial motivations and risk-averse inclinations noted in the fourth factor parallel the popular push-pull dichotomy referred to in the necessity-versus-opportunity-driven discussion on entrepreneurship.

Cluster analysis further separated the entrepreneurs into five distinct motivation profiles:

- Stability-Oriented Entrepreneurs are primarily concerned with achievement and making a difference in society, but they don't care much about independence or innovation. Their actions indicate that they prefer orderly settings and gradual improvements rather than revolutionary transformation.
- Recognition and innovation are the key characteristics of companies that want to be seen by others. In accordance with Debrulle et al. (2020), self-motivation boosts both creativity and financial success, thus very risky and artistic entrepreneurs are found.
- Independent Growth-Oriented Autonomy and self-development are highly appreciated by entrepreneurs, thus showing little concern for financial safety or outside confirmation. This group corresponds with the results of Baum (2013) & Linder and Nippa (2019) who say that self-efficacy and intrinsic growth are essential to continuous entrepreneurial activity.
- Balanced and Pragmatic Entrepreneurs' financial security and work-life balance are the main priorities for these entrepreneurs, rather than impact or recognition. Their pragmatic orientation reveals a cautious, sustainability-focused approach to entrepreneurship. Gabriellsson and Politis (2009b) have earlier supported these findings by emphasizing flexibility and lifestyle considerations in the field of entrepreneurial motivation.
- High-Risk, Competitive Entrepreneurs are the smallest group, but they are the most typical "high-drive" entrepreneurs. Their readiness to give up stability and recognition in order to attain achievement is very similar to the opportunity-based, innovation-driven entrepreneurs as characterized by Sedeh (2018). The risk-taking attitude and the ambitious goal they have set for themselves point to the fact that they could be the main players in the creation of high-growth ventures, but with more chance to fail.

In a rather fascinating manner, the results of the ANOVA tests brought to light that there was a strong correlation between the different types of entrepreneurs' motivational clusters and their probability of either restarting or continuing their businesses. In detail, the types of entrepreneurs who look for success, being first, and working on their own basically had their behavior related to the persistence rated higher. This would mean that these motivations are very much related to the quality of being an entrepreneur who does not give up after the first failure and also being committed for the long haul. This supports the report of Stewart and Roth (2007) who suggested that achievement motivation has a positive effect on new venture performance even when surroundings provide less support. On the other hand, those entrepreneurs who were mainly concerned with financial security and their own personal well-being were less likely to venture into their business again. This indicates that even though these people might do entrepreneurship for practical or situational reasons (e.g., necessity entrepreneurship), they might be less willing to carry on through failure or market upheaval. Their driving force seems to be short-term needs instead of long-term visionary goals. Diversity of motivational profiles in Gautam Buddha Nagar region is the other remarkable insight. Previous studies in Indian contexts usually regarded financial necessity or unemployment as the main motive, yet the current research discovered that opportunity-driven motives such as innovation, autonomy, and impact characterized the scenario to a considerable extent. The latter points to a progressive and changing entrepreneurial ecosystem which is probably the result of increased educational access, digital opportunities, and local policy support under the Startup India initiative. The results when considered together reveal the various facets of the motivation of entrepreneurs. The entrepreneurs participating in this research do not represent a single unified group. Each of them has various expectations, risk levels they are willing to take, and purposes that they intend to achieve through entrepreneurship. The policy-makers, incubators, and support agencies have to recognize the diversity of the entrepreneurs' motivations and the corresponding necessity for different kinds of support. Therefore, it is not enough to just provide support to entrepreneurs depending upon the time and industry. For instance, those whose financial stability is the primary motive may get the guidance in managing risks and finance while the ones whose aim is to innovate might require the purchase of blueprints and funds for R&D.

Lastly, the study validates the importance of motivation-based segmentation in entrepreneurship research. It moves beyond traditional demographic segmentation and shows that psychological and value-based drivers are more predictive of entrepreneurial behavior and persistence.

### 6. Conclusion

The study comes up with some interesting results and makes useful suggestions for both small and medium-sized business management and the way public administrative bodies make decisions. The results show that entrepreneurs' drive to start a new business, their dedication to the idea of the new company, the work they are willing to put in to start the new company, and their enthusiasm for the process are all very important in the beginning of a new venture. As a result, public entities, savings institutions, finance companies, and other groups that want to support new types of businesses should keep this in mind and set up the right ways to see how committed potential entrepreneurs are to their new ideas. With the goal of lowering the high failure rate among these groups of businesses and making the best use of funds and help meant to pay for the start-up processes. One problem with the study is that the entrepreneurs' views might not show the "real" reasons they start their own businesses. Based on what we learned from talking to business owners in Spain and other places, this doesn't mean that our study is wrong; it's more likely to reflect reality. Second, one of our examples only has people who are just starting out as business owners. People who want to start their own business

might have different ideas. Third, we only used descriptive statistics, which is a weakness. Our results are more informative than conclusive. The above-mentioned driving factors and business profiles should be used as a starting point for more theory development and multivariate empirical research that might lead to more believable or conclusive results. In the future, researchers can build on this study by following both successful and failed businesses over time and checking the accuracy of our results. This study can also be used for people who want to start their own business.

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