



# The influence of education towards enterprise success: The moderating role of startup motive

**Mr. Obed Kent**

Ph.D. Research Scholar  
Department of Management  
North-Eastern Hill University  
Tura Campus, Tura, Meghalaya – 794 002

**Prof. Khundrakpam Devananda Singh**

Department of Management  
Nagaland University, Kohima Campus  
Meriema, Nagaland – 797 004

## Abstract

The paper aims to understand the nature of relation between education on enterprise success along with the moderating role of startup motive. To fulfill the objective, data were collected from the registered enterprises which have existed for a minimum period of five years. The data were analysed employing correlation, regression and moderation analysis. The result reveals that, education and startup motive have positive and significant impact on enterprise success. Further, it is found that startup motive moderates the relationship of entrepreneur's education on enterprise success.

**Keywords:** Education, enterprise success, entrepreneur, startup motive.

## 1. Introduction

Entrepreneur ventures into business with multiple of reasons. There are number of requirements that have to be considered while formulating the plans till its execution. The motive for achievement such as flexibility, courage and dominance is significant for entrepreneurial success (Staniewski & Awruk, 2019). Motives and success factors such as ambition of life, family responsibility, skills and hard work that contributes in entrepreneurial success (Abrar ul Haq et al., 2021). In addition, entrepreneurship education facilitates entrepreneurial motivation which leads to development of entrepreneurial intention (Hassan et al., 2021). Successful entrepreneur equip with certain level of education (Zafar & Khan, 2013). Therefore, education and startup motive are among the critical factors which is essential for smooth business operations. Business

transitions follow various stages which necessitate an entrepreneur to possess certain level of education in order to execute the business plans. The knowledge through education permits an entrepreneur to conduct liaison with business stakeholders. Further, the progress of enterprise is broadened when motive comes into play. The long-term sustainability of an enterprise relies on constantly having the right motive towards the business. The study aims to understand the nature of relations that education have on enterprise success along with the moderating role of startup motive.

## 2. Background

The intent for entrepreneur is the leverage that pushes business towards desire objectives. The aspiration to enhance income prompts an entrepreneur to undertake business venture (Stefanovic et al., 2010). Entrepreneur willingness to engage with their own business ideas motivates them to go business (Barba-Sanchez & Atienza-Sahuquillo, 2011). In addition, startup motive on factors such as financial independence and being own boss drives entrepreneur to pursue a business (Ahmad & Muhammad, 2016). Entrepreneur embarks on a venture due to circumstances like personal interest, extra income and economic hardship (Alom et al., 2016). Motive is one of the crucial factors that substantially influence on enterprise performance (Mamun et al., 2016). Motivation has a practical impact on progress and productivity of an enterprise (Mawoli & Peter, 2021). Motive propels a personal for entrepreneurial advancement (Mmbengwa et al., 2021). The state of affairs such as family responsibility and ambition drives an entrepreneurs to enterprise success (Abrar ul Haq et al., 2021). Opportunity driven mentality guides an entrepreneur to elevates efficiency (Zhao et al., 2022). The enthusiasm in entrepreneur triggers them to succeed in their venture (Abdelwahid & Kaoud, 2022). Need for achievement motive incentivize for enterprise success (Yangailo & Qutieshat, 2022). The determination of an entrepreneur adds to beneficial business consequences (Endris & Kassegn, 2023). Further, motivation and commitment of an entrepreneur drive them to business accomplishment (Feng et al., 2023). Motive is a powerful force which channels a person towards various forms of achievement. Startup motive plays a significant role and it shapes the entrepreneurial progress. Alongside startup motive, education of an entrepreneur supplements the progress of an enterprise. Numerous literatures consider the crucial role of education in enterprise success. Education is a determinant which has a pivotal impact on enterprise efficiency (Ajibefun & Daramola, 2003). It facilitates an entrepreneur to comprehend, capitalize opportunity to their favor (Monahan et al., 2011). Enterprise relies on the education as it assists in bringing profitability to an enterprise (Saleem, 2012). The level of entrepreneur education has favorable impacts on enterprise performance (Santarelli & Tran, 2012). Education helps entrepreneurs to comprehend the business and accordingly enable performance (Berrone et al., 2014). Enterprise growth positively corresponds to the level of entrepreneur education (Bouazza et al., 2015). Education significantly influences enterprise performance (Mamun et al., 2016). Entrepreneur education is crucial factor for enterprise to succeed in their business (Alom et al., 2016). The presence of entrepreneur education results in productivity of enterprise performance (Martin & Alejandro, 2016). The level of education corresponds to beneficial growth performance of an enterprise. They have potential to integrates the human capital for require to extend the business life span (Shibia & Barako, 2017). Entrepreneur level of education affects enterprise success (Alemu & Dame, 2016). Education facilitates entrepreneur to manage business and open to adjust to new opportunities (Meresa, 2018). Education is a facilitator which enables for enterprise productivity (Degefu, 2018). The survival of business enterprise relies on the entrepreneur education (Mor et al., 2020). Therefore, entrepreneur access to education is a success factor (Maduku & Kaseeram, 2021; Fatma et al., 2021), which facilitates good business performance (Amegayibor, 2021). The level of education correlates with entrepreneurs level of technical efficiency (Zhao et al., 2022). Education status enables for enterprise to bring in quality (Kiefer et al., 2022). Entrepreneur education associates with entrepreneurship that produces favorable output (Ahn & Winters, 2022). Further, entrepreneurship education leverages the enterprise performance (Affes & Affes, 2023). Education relates to enterprise productivity (Endris & Kassegn, 2023).

Literature has provided sufficient evidence on the role of startup motive and education on enterprise success. However, the moderating effects of motive on success is scarce. Therefore, this study endeavors to uncover this relationship among these variables on enterprise success.

### 3. Methodology

The paper aims to understand the nature of relations that education have on enterprise success along with the moderating role of startup motive. To achieve this objective, a structured schedule with Five Point Likert scale was employed to obtain the data. The data were collected from the 491 registered enterprises in Kohima and Dimapur districts of the state of Nagaland, with more than five years of business existence. The data were analysed through Pearson correlation, multiple regression and moderation analysis.

### 4. Results and Discussion

To understand the linear relationship between the variables, Pearson correlation coefficient was performed. The value of coefficients ranges from -1 to +1. The study adopted Evans (1995) for the interpretation of the coefficients. The various interpretations is shown in Table 1.

**Table 1** *Correlation Coefficients*

Coefficient Range	Interpretation	Coefficient Range	Interpretation
0.80 to 1.00	Very Strong Positive	-1.00 to -0.80	Very Strong Negative
0.60 to 0.79	Strong Positive	-0.79 to -0.60	Strong Negative
0.40 to 0.59	Moderate Positive	-0.59 to -0.40	Moderate Negative
0.20 to 0.39	Weak Positive	-0.39 to -0.20	Weak Negative
0.00 to 0.19	Very Weak Positive	-0.19 to 0.01	Very Weak Negative

**Source:** Evans (1995)

Pearson correlation assesses the strength and directions of the variables under consideration. The relationship between education and startup motive with success was performed. The analysis is presented in Table 2.

**Table 2** *Correlation Analysis*

Variables		Success
Education (EDU)	Pearson Correlation	.569**
	Sig. (2-tailed)	.000
Startup Motive (SM)	Pearson Correlation	.370**
	Sig. (2-tailed)	.000

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Source:** Researchers' calculation

The result from the table indicates overall there was a positive and significant relationship between the variables. Education with  $r = .569$  and  $p < .001$  has a moderately positive and significant result with enterprise success. Similarly, Startup motive with  $r = .370$  and  $p < .001$  has a weak positive and significant relationship with success. The results show variables do influences to enterprise success. Further, the strength of relationship was assessed through a multiple regression to understand nature of impact the predictor variables have on enterprise success. The analysis from ANOVA table is in Table 3.

**Table 3** Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	203.015	2	101.508	172.608	.000 <sup>b</sup>
	Residual	286.985	488	.588		
	Total	490.000	490			

a. Dependent Variable: Enterprise success  
b. Predictors: (Constant), EDU, SM

**Source:** Researchers' calculation

The result from the table reveals that the predictors' education and startup motive with  $F = 172.680$ ,  $p < .001$  collectively have a significant impact on enterprise success. Furthermore, the impact of individual coefficients on enterprise success is presented in Table 4.

**Table 4** Regression coefficients

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.147E-14	.035		.000	1.000
	SM	.303	.035	.303	8.679	.000
	ED	.531	.035	.531	15.200	.000

a. Dependent Variable: Enterprise success

**Source:** Researchers' calculation

The result in the table reveals the predictors individually have a significant impact on enterprise success. Startup motive ( $\beta = .303$ ,  $t = 8.679$ ,  $p < .001$ ) and education ( $\beta = .531$ ,  $t = 15.200$ ,  $p < .001$ ) have a positive and significant impact on enterprise success. It means that for every one unit increase in startup motive, there would be .303 increases in enterprise success. Similarly, for every one unit increase in education, there would be .531 increases in enterprise success.

Following the correlation and regression analysis, the data was evaluated to understand the moderation effects. The study assessed the moderating effect of startup motive on the relationship between entrepreneurs' education and enterprise success.

**Table 5** Moderation Analysis

Relationship		Beta	C.R.	P-Value
Enterprise success	<--- Education	.527	15.150	***
Enterprise success	<--- Startup Motive	.288	8.115	***
Enterprise success	<--- Interaction	.065	1.995	.046

**Source:** Researchers' Calculation

The results show a positive and significant moderating impact of startup motive on the relationship between education and enterprise success ( $b = .065$ ,  $t = 1.995$ ,  $p = .046$ ). Moderation analysis summary is in Table 5. The result confirms that startup motive moderates the relationship of education on enterprise success.

## 5. Conclusion

The study aims to understand the relationship between entrepreneur education, with enterprise success along with the moderation effect of startup motive. It provides a valuable insight on the relationships among the variables. The study reveals that education and startup motive individually and collectively have a positive and

significant relationship with enterprise success. Further, the study demonstrates that startup motive moderates the relationship of entrepreneur education on enterprise success.

## References

- Abdelwahid, M., & Kaoud, H. (2022). Factors affecting the success of women entrepreneurs in Egypt. *International Journal of Organizational Leadership*, *11*, 444–461.
- Abrar ul Haq, M., Victor, S., & Akram, F. (2021). Exploring the motives and success factors behind female entrepreneurs in India. *Quality and Quantity*, *55*(3), 1105–1132. <https://doi.org/10.1007/s11135-020-01046-x>
- Affes, W., & Affes, H. (2023). Human capital, social capital and business model design: Empirical evidence of Tunisian firms. *Journal of the Knowledge Economy*. <https://doi.org/10.1007/s13132-023-01234-8>
- Ahmad, S. Z., & Muhammad Arif, A. M. (2016). Entrepreneurial characteristics, motives, and business challenges: Exploratory study of small- and medium-sized hotel businesses. *International Journal of Hospitality and Tourism Administration*, *17*(3), 286–315.
- Ahn, K., & Winters, J. V. (2022). Does education enhance entrepreneurship? *Small Business Economics*. <https://doi.org/10.1007/s11187-022-00701-x>
- Alemu, K. S., & Dame, D. B. (2016). Determinants of micro and small enterprises success: The case of Ambo Town, Ethiopia. *Journal of Tourism & Hospitality*, *5*(3), 86–96. <https://doi.org/10.4172/2167-0269.1000214>
- Alom, F., Abdullah, M. A., Moten, A. R., & Azam, S. M. F. (2016). Success factors of overall improvement of microenterprises in Malaysia: An empirical study. *Journal of Global Entrepreneurship Research*, *6*(1), 1–13. <https://doi.org/10.1186/s40497-016-0050-2>
- Ajibefun, I. A., & Daramola, A. G. (2003). Determinants of technical and allocative efficiency of micro-enterprises: Firm-level evidence from Nigeria. *African Development Review*, *15*(2–3), 353–395. <https://doi.org/10.1111/j.1467-8268.2003.00077.x>
- Amegayibor, G. K. (2021). The effect of demographic factors on employees' performance: A case of an owner-manager manufacturing firm. *Annals of Human Resource Management Research*, *1*(2), 127–143. <https://doi.org/10.35912/ahrmr.v1i2.853>
- Barba-Sanchez, V., & Atienza-Sahuquillo, C. (2011). Reasons to create a new venture: A determinant of entrepreneurial profiles. *African Journal of Business Management*, *5*(28), 11497–11504. <https://doi.org/10.5897/ajbm11.1131>
- Berrone, P., Gertel, H., Giuliadori, R., Bernard, L., & Meiners, E. (2014). Determinants of performance in microenterprises: Preliminary evidence from Argentina. *Journal of Small Business Management*, *52*(3), 477–500. <https://doi.org/10.1111/jsbm.12045>
- Bouazza, A. B., Ardjouman, D., & Abada, O. (2015). Establishing the factors affecting the growth of small and medium-sized enterprises in Algeria. *American International Journal of Social Science*, *4*(2), 101–115.
- Degefu, D. G. (2018). Factors that determine the growth of micro and small enterprises: In the case of Hawassa City, Ethiopia. *IBusiness*, *10*(04), 185–200. <https://doi.org/10.4236/ib.2018.104011>
- Endris, E., & Kassegn, A. (2023). Profitability of agricultural micro and small-scale enterprise in North Wollo Zone, Amhara Regional State, Ethiopia. *SAGE Open*, *13*(2). <https://doi.org/10.1177/21582440231169632>

Evans, J. D. (1995). *Straightforward Statistics for the Behavioral Sciences*. (1<sup>st</sup> Ed.) Brooks Cole Publishing Company.

Fatma, E. Ben, Mohamed, E. Ben, Dana, L. P., & Boudabbous, S. (2021). Does entrepreneurs' psychology affect their business venture success? Empirical findings from North Africa. *International Entrepreneurship and Management Journal*, 17(2), 921–962. <https://doi.org/10.1007/s11365-020-00644-3>

Feng, J., Ahmad, Z., & Zheng, W. (2023). Factors influencing women's entrepreneurial success: A multi-analytical approach. *Frontiers in Psychology*, 13. <https://doi.org/10.3389/fpsyg.2022.1099760>

Hassan, A., Anwar, I., Saleem, I., Islam, K. M. B., & Hussain, S. A. (2021). Individual entrepreneurial orientation, entrepreneurship education and entrepreneurial intention: The mediating role of entrepreneurial motivations. *Industry and Higher Education*, 35(4), 403–418. <https://doi.org/10.1177/09504222211007051>

Kiefer, K., Heileman, M., & Pett, T. L. (2022). Does gender still matter? An examination of small business performance. *Small Business Economics*, 58(1), 141–167. <https://doi.org/10.1007/s11187-020-00403-2>

Maduku, H., & Kaseeram, I. (2021). Success indicators among black owned informal Small Micro and Medium Enterprises' (SMMEs) in South Africa. *Development Southern Africa*, 38(4), 664–682. <https://doi.org/10.1080/0376835X.2021.1913997>

Martin, R.-U., & Alejandro, M. (2016). The role of education and learning by experience in the performance of microenterprises. *Procedia - Social and Behavioral Sciences*, 228(June), 523–528. <https://doi.org/10.1016/j.sbspro.2016.07.080>

Mamun, A. A., Saufi, R. A., & Ismail, M. Bin. (2016). Human capital, credit, and startup motives: A study among rural micro-enterprises in Malaysia. *The Journal of Developing Areas*, 50(4), 383–400.

Mawoli, M. A., & Peter, U. N. (2021). Entrepreneurial motivational factors and operational performance of small-scale industries in Yanya. *Journal of Research in Emerging Markets*, 3(3), 1–13. <https://doi.org/10.30585/jrems.v3i3.649>

Meresa, M. (2018). Factors affecting the performance of small-scale enterprise (restaurant and hotels) inraya azebo wereda: The case of Mohoni, Maychew and Korem. *International Journal of Managerial Studies and Research*, 6(1), 68–92. <https://doi.org/10.20431/2349-0349.0601010>

Mmbengwa, V. M., Qin, X., & Nkobi, V. (2021). Determinants of youth entrepreneurial success in agribusiness sector: The case of Vhembe district municipality of South Africa. *Cogent Social Sciences*, 7(1). <https://doi.org/10.1080/23311886.2021.1982235>

Monahan, M., Shah, A., & Mattare, M. (2011). The road ahead: Micro enterprise perspectives on success and challenge factors. *Journal of Management Policy and Practice*, 12(4), 113–125.

Mor, S., Madan, S., Archer, G. R., & Ashta, A. (2020). Survival of the smallest: A Study of microenterprises in Haryana, India. *Millennial Asia*, 11(1), 54–78. <https://doi.org/10.1177/0976399619900609>

Saleem, M. A. (2012). The impact of socio-economic factors on small business success. *Geografia : Malaysian Journal of Society and Space*, 8(1), 24–29.

Santarelli, E., & Tran, H. T. (2012). *The Interplay of Human and Social Capital in Shaping Entrepreneurial Performance: The Case of Vietnam* (Quaderni - Working Paper DSE No. 803). <https://doi.org/dx.doi.org/10.6092/unibo/amsacta/4215>

Shibia, A. G., & Barako, D. G. (2017). Determinants of micro and small enterprises growth in Kenya. *Journal of Small Business and Enterprise Development*, 24(1), 105–118. <https://doi.org/10.1108/JSBED-07-2016->

- Stefanovic, I., Prokic, S., & Rankovic, L. (2010). Motivational and success factors of entrepreneurs: The evidence from a developing country. *Zbornik Radova Ekonomskog Fakultet Au Rijeci*, 28(2), 251–269.
- Staniewski, M. W., & Awruk, K. (2019). Entrepreneurial success and achievement motivation – A preliminary report on a validation study of the questionnaire of entrepreneurial success. *Journal of Business Research*, 101, 433–440. <https://doi.org/10.1016/j.jbusres.2019.01.073>
- Yangailo, T., & Qutieshat, A. (2022). Uncovering dominant characteristics for entrepreneurial intention and success in the last decade: Systematic literature review. *Entrepreneurship Education*, 5(2), 145–178. <https://doi.org/10.1007/s41959-022-00073-z>
- Zafar, S., & Khan, I. M. (2013). Examining factors of entrepreneurial success: Culture, gender, education, family, self-perception. *Journal of Poverty, Investment and Development*, 2.
- Zhao, L., Harvie, C., Arjomandi, A., & Suardi, S. (2022). Entrepreneurs and China's private sector SMEs' performance. *Applied Economics*, 54(28), 3279–3295. <https://doi.org/10.1080/00036846.2021.2006135>

