

# Business essays - business motivation



**ASSIGN  
BUSTER**

## **Motivation in the Notable Entrepreneur Sarina Russo**

This paper talks about the motivation factor in business entrepreneurship. The entrepreneur selected is Sarina Russo.

There are several important traits and values that are common among successful entrepreneurs. Before you go and start your enterprise or new business venture, it will be very helpful to think and reflect whether you have what it takes to be a successful entrepreneur. If not, you can start developing these character traits before venturing out on your own.

1. Successful Entrepreneurs are Self-Confident – to succeed in the highly competitive business world, confidence and trust in oneself is an indispensable trait. Self-confidence means trusting your own powers and capabilities. The world of entrepreneurship is not alien to failure and disappointments. To survive in such a cut-throat world, entrepreneurs must have the ability to look within themselves and find the drive and persistence to pursue their enterprise. An entrepreneur must have the gumption to face any adversity and tackle any problems that may be encountered in the world of business.

2. Successful Entrepreneurs are Risk-takers – being an entrepreneur means having the ability to trust your hunches and acting on them. Great business ideas sometimes start as a hunch which enterprising individuals acted upon. There is always the risk of loss in any endeavour, and entrepreneurs have just the right confidence to take calculated risks to achieve their objective. However, an entrepreneur's risk-taking does not depend on luck, but on sheer effort and hard work (Baumol, 2007, 3).

3. Successful Entrepreneurs know the value of money and are careful about their finances – to succeed in any business; an entrepreneur must understand the value of money and the cost of things. Typically, successful entrepreneurs learned how to earn and value money at a young age. Most of them started out by earning loose change as teenagers mowing lawns, doing groceries, baby-sitting for neighbours, etc.

4. Successful entrepreneurs have the so-called head for business – many entrepreneurs are gifted with intuition: they know what product or service is going to ‘click’ next. However, this ability does not involve clairvoyance or extra sensory powers of some sort, but rather, keen observation and understanding of what is going on around him. A good entrepreneur is always on the look out for new ideas and new ways to make money (Baumol, 2007, 8).

5. Successful Entrepreneurs are competitive – the world of business is a very competitive environment. An entrepreneur must be aggressive enough to pursue his goal despite having many rivals and competitors. An entrepreneur must know how to stay ahead of his competitors, either by introducing new ideas and exploring new ventures, all in the spirit of expanding his business.

6. Successful Entrepreneurs are honourable and have a good work ethic – although it is a fact that the business world is ruthless, but the successful entrepreneur will strive to make every business deal honourable. The mark of a successful entrepreneur lies in a good personal work ethic that ultimately leads to good business practices, excellent reputation and good association with industry peers and business partners.

7. Successful Entrepreneurs know the importance of leisure time - hard work and determination are very important values every entrepreneur must have. However, a good entrepreneur knows when it's time to take a step back from all the rigors of business and enjoy some downtime with their family.

Besides, we all do need a little relaxation to refresh the body and mind before plunging back into the challenging (and stressful) world of business.

These are just seven of the most important characteristics of an entrepreneur. Of course, the characteristics every entrepreneur must have are not limited to the ones mentioned. Having these characteristics is not a guarantee that an entrepreneur will be successful. But with these characteristics, an entrepreneur has just the right ingredients for success. All one needs to do is to find the right mix of these values, excellent timing, perhaps a bit of luck and, of course, faith in oneself. So, do you have what it takes to be a successful entrepreneur? Go over these characteristics and values mentioned and reflect if you do have these (Baumol, 2007, 23-34).

What is an entrepreneur? Many business reference sources define an entrepreneur as one who takes calculated risks and introduces a new or existing product into a new or existing market. In other words, an entrepreneur is a founder, a leader and an innovator.

An entrepreneur starts a venture. He or she takes an idea and shapes it into something that the world can see as a force in the community. Many people think that getting a high-paying executive level job means being at the top of the world. However, did you ever think that even high paid executives have someone to answer to?

So what do is needed in order to become an entrepreneur? First of all, you have to have an idea. Entrepreneurship involves taking that idea and transforming it into something that people would be willing to pay for or become enrolled in (e. g. Wikipedia, the online encyclopedia founded by Jim Wales). But the question is how is that done.

### Review of the Literature

Motivation is a set of processes that determine individual choices. These processes are influences from families and friends that we receive throughout our life. When speaking with business owners it is clear that they are self motivated and determined to succeed. How did they reach this point and maybe you have not? It is the result of the interaction of your internalised needs and the external influences you receive.

Past experience sways our thinking. Most people who plan to be entrepreneurs have developed a physiological or psychological need. The person then develops a set of behaviours to satisfy this need. The behaviour then results in action toward the goal. At some point in their life, they have been exposed to positive self esteem types of people. They appreciate and can accomplish hard work through employment. But, they look past the standard employment model. This is what we provide in our Tupperware Sales Business.

Maslow's Hierarchy of Needs determines that people seek safety and security. This carries over to employment issues. Many people seek positions as employees that will provide long term opportunity with minimal change. What happens when you want to step out of this plan? Anxiety in Excess!

<https://assignbuster.com/business-essays-business-motivation/>

Why? You realise that you need to re-train your own thinking process. You are clearly out of your personal comfort zone. You find that you will need a different type of effort to execute successful performance. You realise that there is no one to fall back upon. It comes down to how you operate dealing with all aspects of your own business.

Sarina Russo uses the Maslow Theory to transform our Managers into Leaders. What is the difference? A manager understands your goals while a leader can influence the behaviour of others to achieve the goals. First, we develop leaders from managers after they develop competence. This means that they have enough experience and training to be productive and efficient. This is the required groundwork to leadership. Next we establish their integrity by stressing truthfulness, being trustworthy, and good character. Customers or fellow sales people need to believe in them if they are to do business or follow them. Finally, we coach them to be inspiring. How do you do this? By instructing our leaders to be decisive with decisions and always provide direction to subordinates and customers. Sarina Russo is driven not by the need to make money, but by the need to make their dreams a reality. More often than not, money is a by-product of an entrepreneur's motivation rather than the motivation itself. Entrepreneurs are participants, not observers; players, not fans. And to be an entrepreneur is to be an optimist, to believe that with the right amount of time and money, you can do anything.

Practical Section

In order for any business to succeed, it is imperative for its leader to have, and then subsequently demonstrate, several important qualities. These include the ambition and drive of an entrepreneur, the ability to lead, organise and inspire, as well as the capability to recognise valuable commitment worthy of reward. Sarina Russo, a high-profile Brisbane businesswoman, and her rewarding career, encapsulate these qualities and serve to outline the benefits that an entrepreneur's motivation can produce.

### *Entrepreneur Extraordinaire*

Sarina Russo can justifiably be described as an entrepreneur. An entrepreneur is defined as someone who is willing to pursue opportunities in situations others view as problems or threats. When applied to business, an entrepreneur starts new ventures that introduce new products or new services to the market. Entrepreneurs are a valuable asset, as they allow for the global economy to develop, innovate and thrive. For these reasons, Sarina Russo's importance and contribution to society have proven to be of great value.

The most recognised characteristic of an entrepreneur, to introduce a new product or service, was undoubtedly displayed by Sarina when she established her first business, The Office Business Academy, in 1979. Sarina has stated that shortly before she established her own business, she was a 'dormant' entrepreneur. The Office Business Academy has now advanced into the Russo Institute of Technology, and twenty-four years after establishing her first business, the Sarina Russo Group, with Sarina as the Managing Director and CEO, represents five businesses in total. Additionally, there are

six other typical personal characteristics commonly found in entrepreneurs that Sarina appears to demonstrate. Sarina has high internal control, as well as a high energy level. From the beginning, Sarina believed that she alone controlled her destiny, and worked hard and persistently in order to succeed. Sarina has a high need for achievement, as demonstrated by her unwavering drive and passion, as well as a tolerance for uncertainty, shown by her willingness to take risks and establish new ventures. Sampson states that there is nothing like a challenge to drive a true entrepreneur. Sarina's achievements require a high self-confidence, another characteristic, as well as a desire for independence, so as to work at their own pace and be their own boss. Finally, Sarina is clearly action oriented, as throughout her career she has operated efficiently, effectively and actively.

In addition to personal characteristics, entrepreneurs can also be influenced by their background and experiences. In particular, childhood experiences and the family environment play a large role. It is stated that entrepreneurs are raised in families that encourage responsibility, initiative and independence (Schramm, 2006, 587)

For Sarina Russo, the many stages and struggles she experienced throughout her early years were significant contributions towards her entrepreneurial development. In the year 1956, when Sarina was at the young age of 13, she had already begun assisting her parents with their business interests and tax returns. Furthermore, while she was in secondary school, Sarina faced additional difficulties when she failed her Year 10 School Certificate, and then her Year 12 HSC. However, this did not discourage Sarina from her desire to study, and so she managed to gain entry into <https://assignbuster.com/business-essays-business-motivation/>



university using an alternative method. Moreover, at an early age, Sarina had experienced various changes, as well as facing several responsibilities that served to encourage her as the years went on.

In the late 1970's she began to face problems in the work force, where as a secretary she was fired on several occasions due to what was deemed her inappropriate clothing choices. Other reasons included being back five minutes late from a lunch break, and for displaying a ' pushy attitude'. At this stage, Sarina had become unsure as to what career path she wanted to take, and how to go about achieving it. She took a part time job as a typing teacher where she was once again fired, however at the students overwhelming request, the company reinstated her. It was during this time that her competent abilities in training and teaching became apparent, and were recognised by her employers. This built up her self-confidence and encouraged her to broaden and strengthen her skills, in order to make a difference in regards to possibly teaching and helping others. Sarina had realised that this was the path she wanted her life to take. In 1979, Sarina put her ideas and motivation into practice by drawing on her savings of \$2600 and locating an appropriate office space, where she launched The Office Business Academy. Evidently, having experienced the many stages of trial and error allowed Sarina to grasp a greater understanding of what she wanted to achieve in the future, thus bringing to life the entrepreneur within. (Brouwer, 2002, 4)

### *Organisational Structure*

All five of Sarina's businesses fall under and are managed by Sarina Russo Group. The decentralised nature of the entire organisations formal structure allows for a cross-functional system, in which the several divisions can constantly communicate with each other, as well as possible further expansion, preferably resulting in continual organisational improvement(Schumpeter, 2004 , 36).

### *Leading the Way*

In order for Sarina to have achieved her extraordinary level of success, an unwavering vision and possession of power would have been fundamental. Vision is defined as a future that one hopes to create or achieve in order to improve upon the present state of affairs.

Power is classified as an individual's ability to induce others to perform tasks to their specifications. It is important, however, for those with power to exert it in a way that influences and controls the organisation beneficially. Power should not merely involve giving an order or an instruction, but should be used to support, inspire and achieve (Broom 2001, p. 11). As CEO and Managing Director, Sarina undoubtedly holds a great deal of power, and is viewed by many as the leader. She is the driving force and inspiration behind many of the business processes and ideas. So, for a business owner such as Sarina, in order to maximise success, attaining a level of power and establishing leadership is vital. Sarina has successfully obtained and used both in a manner that advantaged and continues to advantage her organisation (Hebert, 2006, 58).

As the CEO and Managing Director of Sarina Russo Group and its subsequent businesses, Sarina's personal qualities play a large role in the power that she displays and possesses. Broom (2001, p. 11) states that without effective power, a manager cannot successfully establish or lead an organisation. Sarina's achievements outline her intelligence, capabilities, individuality, knowledge, responsibility, and dedication. As well, a large part of Sarina's power lies in her ambition, as well as influential and inspirational image. Inspiration can lead employees to work in a more diligent and responsible manner, by instilling a need to please their employer (Harman 2003, p. 51). Effectual power can lead to empowerment of not just self, but to those employees working within that organisation. That is, a responsible and effective leader will not only direct, but also demonstrate their commitment to the organisation by taking an active role in projects or programs, as Sarina has done, and by encouraging employees to enthusiastically contribute towards business processes (Marken 2002, p. 16).

It is likely that when initially establishing The Office Business Academy in 1978, Sarina's vision was to utilise her skills in a way that would allow her to help others. The disappointment and hardships Sarina had faced throughout her career up until that point most likely impelled Sarina to want to make a difference. As well, Sarina most likely envisioned expanding the Academy, in terms of success, size, contribution and importance. Today, Sarina's dream has turned into a corporate empire.

Sarina has successfully made use of both her vision and power in a valuable and constructive manner, and thus built a positive and prosperous environment in which her business can operate. (Kirzner, 2003 , 26)

<https://assignbuster.com/business-essays-business-motivation/>

## Analysis

In motivating the performances of those who help to achieve organisational goals, a key element involved is the promise of rewards, namely extrinsic and intrinsic rewards. Extrinsic rewards are generally looked upon as valued outcomes in a work place that are provided by an employee's superior. Examples include such things as a pay rise, promotion, vacation leave, awards and verbal praise. Thus, the motivation stimuli of extrinsic rewards can only occur through an individual's superior within that organisation.

For instance, Sarina's extrinsic rewards include her savings of \$2600 which she used to initially fund her first business, as well as the twelve-level office building she purchased in 1993 for \$2.05 million, which at present remains the headquarters of The Office Business Academy. Sarina no longer needs to pay \$300,000 per year in rent, but is in fact her own landlord. Sarina also purchased two more properties, the first in 1999 for \$1.25 million, and the second in 2001 for \$4.3 million. As well, Sarina's extremely successful Job Network earns fees from the federal government for the valuable service it provides to the unemployed. With the success of Sarina's business, she does not deny herself the symbols of success, including the Porsche, the penthouse CBD apartment overlooking the Brisbane river and her favourite clothing label, Giorgio Armani, for which she shops for in New York (Knight, 2006, 98).

McClelland goes on to illustrate that the need for power is generally classified as one of two forms, that is, personal power and social power. The need for personal power is commonly viewed as manipulative and involves

taking advantage of others for the sheer sake of personal enjoyment. In contrast, the need for social power is viewed as essential in regards to managing effectively, as it involves acting in a socially responsible manner, and working towards achieving organisational goals and objectives. While Sarina acts as the CEO and Managing Director of her businesses, she does not act in a manner that is exploitative or selfish. Throughout her life and career, Sarina has worked hard and introduced opportunities in order to be able to help others, as well as ensuring the social responsibility of her organisation, by operating ethically and through various types of charity and community work. Sarina possesses a positive attitude and a beneficial set of leadership skills, and is an inspiration to many. It is for these reasons that of the two forms of power need, the need for social power would be most applicable to Sarina.

## Conclusions

The necessity of entrepreneurship for production was first formally recognized by Alfred Marshall in 1890. In his famous treatise Principles of Economics, Marshall asserts that there are four factors of production: land, labour, capital, and organisation. Organisation is the coordinating factor, which brings the other factors together, and Marshall believed that entrepreneurship is the driving element behind organisation. By creatively organising, entrepreneurs create new commodities or improve the plan of producing an old commodity. In order to do this, Marshall believed that entrepreneurs must have a thorough understanding about their industries, and they must be natural leaders. Additionally, Marshall's entrepreneurs

must have the ability to foresee changes in supply and demand and be willing to act on such risky forecasts in the absence of complete information.

Like Mill, Marshall suggests that the skills associated with entrepreneurship are rare and limited in supply. He claims that the abilities of the entrepreneur are so great and so numerous that very few people can exhibit them all in a very high degree. Marshall, however, implies that people can be taught to acquire the abilities that are necessary to be an entrepreneur.

Unfortunately, the opportunities for entrepreneurs are often limited by the economic environment which surrounds them. Additionally, although entrepreneurs share some common abilities, all entrepreneurs are different, and their successes depend on the economic situations in which they attempt their endeavors.

Since the time of Marshall, the concept of entrepreneurship has continued to undergo theoretical evolution. For example, whereas Marshall believed entrepreneurship was simply the driving force behind organisation, many economists today, but certainly not all, believe that entrepreneurship is by itself the fourth factor of production that coordinates the other three.

Unfortunately, although many economists agree that entrepreneurship is necessary for economic growth, they continue to debate over the actual role that entrepreneurs play in generating economic growth. One school of thought on entrepreneurship suggests that the role of the entrepreneur is that of a risk-bearer in the face of uncertainty and imperfect information.

Knight claims that an entrepreneur will be willing to bear the risk of a new venture if he believes that there is a significant chance for profit. Although many current theories on entrepreneurship agree that there is an inherent

component of risk, the risk-bearer theory alone cannot explain why some individuals become entrepreneurs while others do not. For example, following from Knight, Mises claims any person who bears the risk of losses or any type of uncertainty could be called an entrepreneur under this narrow-definition of the entrepreneur as the risk-bearer. Thus, in order to build a development model of entrepreneurship it is necessary to look at some of the other characteristics that help explain why some people are entrepreneurs; risk may be a factor, but it is not the only one.

Another modern school of thought claims that the role of the entrepreneur is that of an innovator; however, the definition of innovation is still widely debatable. Kirzner suggests that the process of innovation is actually that of spontaneous undeliberate learning. Thus, the necessary characteristic of the entrepreneur is alertness, and no intrinsic skills-other than that of recognizing opportunities-are necessary. Other economists in the innovation school side more with Mill and Marshall than with Kirzner; they claim that entrepreneurs have special skills that enable them to participate in the process of innovation. Along this line, Leibenstein claims that the dominant, necessary characteristic of entrepreneurs is that they are gap-fillers: they have the ability to perceive where the market fails and to develop new goods or processes that the market demands but which are not currently being supplied. Thus, Leibenstein posits that entrepreneurs have the special ability to connect different markets and make up for market failures and deficiencies. Additionally, drawing from the early theories of Say and Cantillon, Leibenstein suggests that entrepreneurs have the ability to

combine various inputs into new innovations in order to satisfy unfulfilled market demand.

Although many economists accept the idea that entrepreneurs are innovators, it can be difficult to apply this theory of entrepreneurship to less developed countries (LDCs). Often in LDCs, entrepreneurs are not truly innovators in the traditional sense of the word. For example, entrepreneurs in LDCs rarely produce brand new products; rather, they imitate the products and production processes that have been invented elsewhere in the world (typically in developed countries). This process, which occurs in developed countries as well, is called creative imitation. The term appears initially paradoxical; however, it is quite descriptive of the process of innovation that actually occurs in LDCs. Creative imitation takes place when the imitators better understand how an innovation can be applied, used, or sold in their particular market niche (namely their own countries) than do the people who actually created or discovered the original innovation. Thus, the innovation process in LDCs is often that of imitating and adapting, instead of the traditional notion of new product or process discovery and development.

As the above discussion demonstrates, throughout the evolution of entrepreneurship theory, different scholars have posited different characteristics that they believe are common among most entrepreneurs. By combining the above disparate theories, a generalised set of entrepreneurship qualities can be developed. In general, entrepreneurs are risk-bearers, coordinators and organisers, gap-fillers, leaders, and innovators or creative imitators. Although this list of characteristics is by no means fully comprehensive, it can help explain why some people become entrepreneurs



while others do not. Thus, by encouraging these qualities and abilities, governments can theoretically alter their country's supply of domestic entrepreneurship.

The topic of motivation in the entrepreneurship literature has evolved along a path similar to that of the organisational psychology field. From an organisational psychology perspective, theories of motivation have progressed from static, content-oriented theories to dynamic, process-oriented theories. Content theories search for the specific things within individuals that initiate, direct, sustain, and stop behaviour. Process theories explain how behaviour is initiated, directed, sustained, and stopped.

#### Bibliography

Baumol, W. J., Litan, R. E., Schramm, C. J. (2007). Good capitalism, bad capitalism, and the economics of growth and prosperity. Yale University Press.

Binks, M. and Vale, P. (2000). Entrepreneurship and Economic Change. Maidenhead: McGraw-Hill.

Brouwer, M. T. (2002). 'Weber, Schumpeter and Knight on entrepreneurship and economic development'. Journal of Evolutionary Economics, vol. 12(1-2), p. 83.

Casson, M. (2005). 'Entrepreneurship and the theory of the firm'. Journal of Economic Behaviour & Organisation, 58 (2) , 327-348

Hebert, R. F. and Link, A. N. (2006). *The Entrepreneur: Mainstream Views and Radical Critiques*. New York: Praeger, 2nd edition.

Kirzner, I. (2003). *Competition and Entrepreneurship*.

Knight, F. H. (2006). *Risk uncertainty and profit*. Kelley, 2nd edition.

Schumpeter, J. A. (2004). *The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle*

Schramm, Carl (2006). *The Entrepreneurial Imperative*. Harper Collins