

Examining Entrepreneurial Orientation Among Newbie Entrepreneurs in COVID Pandemic Era based on McClelland's Social Motives

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Abstract

The COVID-19 pandemic has caused many people to lose their jobs. Most laid-off people went into the informal sector, such as starting a small business. This research aims to examine the entrepreneurial orientation of the newbie entrepreneurs based on McClelland's classic theory of social motives and entrepreneurship. Only a few studies have been done on this subject, with Rasch Model Analysis to explain the research phenomenon. Multiple regression was used to validate the research hypotheses. The findings show that the need for achievement and the need for affiliation has a statistically significant direct impact on entrepreneurial orientation. On the other hand, a need for power directly impacts entrepreneurial orientation and has statistically declined. At the same time, the need for achievement, the need for affiliation, and the need for power directly impact entrepreneurial orientation simultaneously.

Keywords

Entrepreneurial Orientation, Rasch Model, Need For Achievement, The Need For Affiliation, Need For Power

1. Introduction

The Covid-19 pandemic has affected almost all formal sectors, including the industrial sector, including industries such as travel, hospitality, sports, events, and entertainment; the export-import sector; the financial sector; the money market health sector; and even the education sector. In addition, the effects include macroeconomic effects in the form of shocks to production factors such as labor supply, production costs, and consumer demand (Middia Martanti et al. 2021).

The COVID-19 pandemic has resulted in a loss of workers. As a result, 35.56 percent of businesses chose to reduce their workforce. Businesses make numerous efforts to retain employees. However, reducing working hours is a step that businesses take more frequently (32.66 percent) than other options, which results in income reduction. These layoffs were necessitated because eight out of ten businesses experience a decline in revenue (Rizaty 2021).

Meanwhile, during the Covid-19 pandemic, many people lost their jobs in the formal sector. As a result, they moved to the informal sector, resulting in a decrease in the proportion of the workforce. This is reflected in the formal and informal workforce changes in February 2020 before the pandemic, with 43 percent of the formal workforce and 57 percent of the informal workforce affected. In the meantime, when a pandemic struck Indonesia, the ratio was reversed. As a result, the informal labor force is more extensive, accounting for 60% of the workforce, while the formal workforce is down to 40% (Elisabeth 2021). The formal sector is defined as a business organized, registered, and protected by the government. In other words, there is a clear relationship between the owner and the employee. The formal sector's business productivity is higher than the informal sector's because of good business management and competent energy work. The formal sector is also associated with medium and large-scale businesses. In contrast, the informal sector is associated with the ultra-micro and micro-scale business sectors. This company manufactures and sells goods and services (Middia Martanti et al. 2021).

Many people have lost their jobs due to the COVID-19 pandemic. Most of the victims of Termination of Employment (PHK) fled to the informal sector, such as becoming Micro, Small, and Medium Enterprises (MSME) owners or entrepreneurs. According to the Indonesian Central Statistics Bureau (BPS), the number of workers in the informal sector increased from 77.68 million in August 2020 to 78.14 million in February 2021 (Mukhaer 2021).

The growth of informal sectors indicates a significant increase in newbie entrepreneurs. This may be advantageous for Indonesia's entrepreneurial development. However, despite the enormous market potential, Indonesia's entrepreneurial ratio remains relatively low (only 3.47 percent). The current population is approximately 270 million, of which 68.75 percent are of working age. These include 26% Millennials and 28% Generation Z. The government enacted several regulations to foster the development of newbie entrepreneurs, most notably through the Omnibus Law. In addition, the government set a target of increasing the entrepreneurship rate to 4% by 2024. It will be accomplished by strengthening business capacity, enhancing the quality of human resources, and developing MMSME Integrated Regions/Clusters (Natalia 2021).

Various theories have been advanced by researchers to explain the discipline of entrepreneurship. The entrepreneurship concepts, theories, and definitions are developed from several fields, such as psychology, management, economics, and sociology. As a result, the idea of entrepreneurship is extensively defined by a wide range of meanings and is still debatable (Ahmed and Ahmed 2021). Entrepreneurial aspects are multidisciplinary from the economic, social, cultural, and psychological perspectives. It suggests that entrepreneurship study is interdisciplinary and reflects phenomena across numerous units of observation, including individuals, groups, and countries (Ahmed and Ahmed 2021).

The personality approach to determining entrepreneurial characteristics is directly assessing the entrepreneurs' personality traits or motivational tendencies. It all started in the 1950s with the work of David C. McClelland and David Atkinson (Fischer et al. 2019; Royle and Hall 2012; Rybnicek et al. 2019; Schüler et al. 2010). First, they looked at achievement motivation (nAch) and other needs like power and affiliation. These researchers' study paved the way for a more in-depth analysis of the psychological characteristics of individual entrepreneurs (Kusumawijaya 2019; Locatelli et al. 2021; Werdhiastutie et al. 2020). Following McClelland and his colleagues, other experts contributed the effort to figure out what distinguishes entrepreneurs from the rest. Their study primarily focused on contemporary personality theories, with subjects such as achievement motivation, locus of control, risk-taking, problem-solving style, innovation, and values being investigated entrepreneurs (Kusumawijaya 2019; Locatelli et al. 2021; Werdhiastutie et al. 2020).

Entrepreneurship, or entrepreneurial action, is the process of identifying available and viable possibilities. It is also seen as a crucial component of economic progress. It demonstrates in various ways, including identifying, assessing, and exploiting newer opportunities for businesses. They are renewing existing ones or establishing new ones, steering the economy forward through innovations, new competencies, and job creation, and thus improving society's overall welfare (Caliendo et al. 2020; Locatelli et al. 2021). Entrepreneurial processes have a disproportionately large influence on society's employment and economic development, which might explain the current surge in entrepreneurship research interest (Al Mamun et al. 2017; Caliendo et al. 2020; Locatelli et al. 2021).

The previous study has focused on McClelland's Social Motives in entrepreneurial research. Debora researched whether McClelland's entrepreneurial behavioral characteristics model was evident in Portuguese and Brazilian

institutions. These results corroborated McClelland's idea and the existence of a single component in the samples examined (Locatelli et al. 2021). According to (Kusumawijaya 2019), the need for achievement might predict MSME employee entrepreneurial ambition in Bali. Finally, (Caliendo et al. 2020) studied the predictive entrepreneurial strength for the survival indicator in business characteristics and human capital. The findings showed the formerly jobless entrepreneurs did not vary in their odds of survival. However, they were more likely to lack a robust psychological commitment to their businesses. This study will enrich the entrepreneurial literature. There is little research on McClelland's Social Motives in newbie entrepreneurs as a survival way in the pandemic era, especially using the Rasch Model Analysis.

1.1 Objectives

This study aims to make contributions to existing research on entrepreneurial orientation and McClelland's classical theory about social motives and entrepreneurship. A few studies on this subject have been conducted, specifically using Rasch Model Analysis to explain the research phenomenon. Furthermore, the research contribution is; that first, the researchers identify the entrepreneurial orientation of the Indonesian newbie entrepreneurs and their social motives as the enablers. Second, this research examines the impact of McClelland's social motives on entrepreneurial orientation in the Indonesian context.

2. Literature Review

2.1 McClelland's Social Motives

David McClelland identified three motives as motivators in this study in 1961. Those are a need for achievement, affiliation, and a need for power (Royle and Hall 2012). According to McClelland, everyone has three primary motivators regardless of gender, culture, or age. One of these will be the major motivator (Fischer et al. 2019; Royle and Hall 2012).

A person who has a strong drive to develop and attain challenging objectives is a sign of a high need for achievement. They take calculated risks in achieving their goals. They like to get feedback on their progress and accomplishments. They frequently prefer to work alone. Individuals with a strong need for achievement seek to take personal responsibility for finding innovative solutions to problems (Fischer et al. 2019; Royle and Hall 2012; Rybnicek et al. 2019; Schüler et al. 2010).

While a person with a high need for affiliation is someone who wants to be a member of a group. They want to be liked and will frequently go along with whatever the rest of the group wants to do. They prefer cooperation over competition. They do not select any uncertain situations. Persons with a high need for affiliation passionately participate in team activities that promote interdependence and collaboration with others (Fan et al. 2021; Fischer et al. 2019; Royle and Hall 2012; Rybnicek et al. 2019). People who have a strong feeling of belonging are more empathetic and tolerant of others. Previous research has focused on the advantages of online networking for entrepreneurs as an affiliation media for building networking among entrepreneurs (Tajvidi and Karami 2021).

The last one is a person who has a high need for power. They have the drive to exercise control over and affect others. They like debates. They enjoy competing and winning and have prestige and recognition (Fischer et al. 2019; Royle and Hall 2012). Individuals with a strong need for power seek out competitive, status-oriented circumstances and actively seek out status symbols. They are more likely to be entrusted with critical resources and have greater degrees of work anxiety. The need for power stems from the desire to exert control over others (Fischer et al. 2019; Royle and Hall 2012). A previous study has found that expressing the need for power has a mixed effect, especially on direct subordinates, who react unfavorably to leaders with high power needs (Fischer et al. 2019; Royle and Hall 2012; Rybnicek et al. 2019; Schüler et al. 2010).

2.2 Entrepreneurial Orientation

The criterion of entrepreneurial orientation (EO) is a widely used criterion for evaluating entrepreneurship. According to the literature on strategy formation, EO is a strategy-development process that provides firms with a basis for entrepreneurial decisions and actions to attain a competitive edge (Lomberg et al. 2017).

The EO concept was proposed by Miller and Friesen in 1983. It was enhanced by Covin and Slevin in 1989 and 1991 (Linton 2019). They broke down EO into three categories: proactive, risk taker, and innovativeness (J. Almeida et al. 2019; Parsian and Mobaraki 2016; Rezaei and Ortt 2018). Lumpkin and Dess (J. Almeida et al. 2019; Parsian and

Mobaraki 2016) added two further dimensions, competitive aggressiveness and autonomy, to this dimension in 1996 (J. Almeida et al. 2019; Parsian and Mobaraki 2016). According to the authors, EO is defined as a set of decision-making processes, tactics, and actions that result in innovation (J. Almeida et al. 2019; Lomberg et al. 2017; Zehir et al. 2015). The EO concept is now extensively used to describe a company's entrepreneurial level. Studies have shown that EO is important in encouraging innovation, regeneration, and proactive activities over time. Both conceptualizations have substantially contributed to the entrepreneurial literature, both theoretically and practically (Al Mamun et al. 2017; Lomberg et al. 2017; Rezaei and Ortt 2018). This research aims to identify the influential variables that significantly impact innovative behavior among millennial workers. Thus, the researchers arrive at the following hypotheses after conducting a thorough literature search:

- Hypothesis 1: The need for achievement has a significant direct impact on entrepreneurial orientation.
- Hypothesis 2: The need for affiliation has a significant direct impact on entrepreneurial orientation.
- Hypothesis 3: The need for power has a significant direct impact on entrepreneurial orientation.
- Hypothesis 4: Need for Affiliation, Need for Achievement, and Need for Power directly impact entrepreneurial orientation.

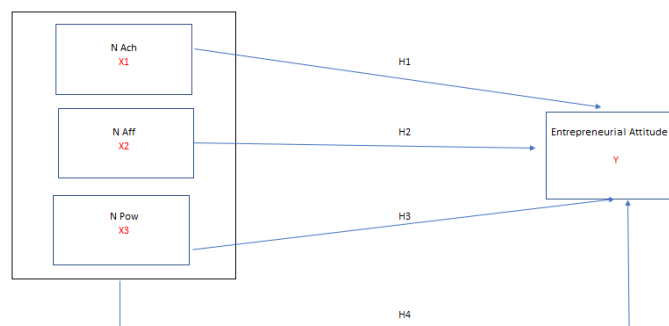


Figure 1. Research Framework

3. Methods

This study used a quantitative approach to perform empirical research to evaluate the entrepreneurial orientation among newbie entrepreneurs. The questions used to measure entrepreneurial orientation in this study were derived from (Al Mamun et al. 2017; F. C. de Almeida et al. 2016), consisting of 14 indicators with three EO dimensions. McClelland's Social Motives, adapted from (Devloo et al. 2015; Fan et al. 2021; Fischer et al. 2019) consist of 30 indicators with three dimensions. The primary data was collected by handing out questionnaires with closed-ended questions on a five-point Likert scale. Rasch Model Analysis with the software WINSTEPS 5.1.4.0 was used to examine the validity and reliability of the research instruments. Besides, it can reduce the bias associated with self-report questionnaire responses (Boone et al. 2014a; Sumintono 2014). The multiple regression techniques used to test the research hypotheses.

The study successfully collected the primary data from 123 newbie entrepreneurs who distributed closed-ended questionnaires using a 5-point Likert scale. Still, only 114 responses can be examined further. As the data was collected through personal references or self-report questionnaires, Rasch Model Analysis, specifically Person Measure Analysis used to filter for the responses' bias. The test found that 114 responses are bias-free because the MNSQ value is higher than 0.5 and lower than 1.5 (Boone et al. 2014b; Miftahuddin et al. 2020; Sumintono 2014)

The Rasch Model will examine the research hypotheses and the validity and reliability of the questionnaire items using Winstep software version 5.1.7.0. The validity and reliability results of the research instrument are shown in table 1. Rasch Model Analysis is a technique for converting ordinal data from Likert Scale questionnaires to interval data (Boone et al. 2014b; Miftahuddin et al. 2020; Sumintono 2014). Because the research instruments used will generate ordinal data, the Rasch model is the most appropriate method for quantitative analysis in human sciences. According to the measurement model, Rasch model analysis is based on probability, accurately predicting respondents' responses to all items. The Rasch Model converts Likert rating scale item scores and ordinal data to an interval scale called "unit of opportunity logarithms" (logit). Additionally, Rasch Model Analysis can help reduce the

number of biased responses on self-report questionnaires (Boone et al. 2014b; Miftahuddin et al. 2020; Sumintono 2014).

Table 1 reveals that Cronbach's alpha for measuring research instrument reliability are 0.92 and 0.91, indicating an excellent interaction between the items and the respondents' responses (Sumintono 2014). The person's reliability in their responses is 0.91 and 0.96, suggesting a consistent response of the respondents. The reliability of the test item reliability is 0.91 and 0.96, meaning that the research instrument's items are also outstanding. Both values explain a firm consistency in respondents' responses. The quality of the items is excellent for measuring both research variables (Sumintono 2014). Furthermore, the validity test results indicate all the entrepreneurial orientation items are acceptable. On the contrary, one item (AF7) of social motive's items is an outlier as the logit value is above 1.5 logit (Sumintono 2014). It was subtracted from the reversed item about complaining about things that is unacceptable.

Table 1. Reliability and Validity Test Results

Research Variables	Alpha Cronbach	Person Reliability	Item Reliability	Item Validity
Entrepreneurial Orientation	0.92	0.86	0.91	14 items - accepted
Social Motives	0.91	0.88	0.96	29 items – accepted 1 item – rejected

Source: Primary Data, 2021

4. Data Collection

The study was carried out in Greater Jakarta, Indonesia, in 2021. Then, the research was completed six months after it began. A questionnaire was developed in response to the findings of the literature review. The data were collected from the newbie entrepreneurs in Greater Jakarta using a personal survey questionnaire and convenience sampling. This convenience sampling has been recognized and used in several studies, such as Shahid Razzaq (Razzaq et al. 2019) in Pakistan. The pragmatic ground supporting this type of convenience sampling is the unlimited population of newbie entrepreneurs in Greater Jakarta.

The study obtained primary data from 123 newbie entrepreneurs in Greater Jakarta, Indonesia, with female MSME owners accounting for 51%. The majority of the MSME owner is between 31 and 40 years (32%). In addition, 45% percent of MSME owners have a bachelor's degree. 80% of them own their business and are not a part of a family business. The business duration is up to two years (41%). They earned less than a hundred million rupiahs annually. Food and beverages are the most popular business among the MSMEs (52%).

5. Results and Discussion

5.1 Rasch Model Analysis

Wright Maps (person-item maps) are a ground-breaking method for displaying highly complex rating scales and test results. The Wright Map was known as a person-item map for a long time, although it is now more commonly referred to as a Wright Map (Boone et al. 2014a). Wright Maps display both people and items along the unidimensional logit scale used in Rasch measurement. This research generated a Wright Map with Winsteps software version 5.1.4.0. The Wright map discusses the mapping of each variable and dimension in greater depth, with the results shown in table 2 and figure 2 until 5.

Table 2. Mapping Newbie Entrepreneurs

Newbie Entrepreneur	Higher (%)	High (%)	Low (%)	Lower (%)	Total (%)
Need of Achievement	20	26	41	13	100
Need of Affiliation	21	22	49	8	100
Need of Power	15	42	36	7	100
Entrepreneurial Orientation	19	28	41	11	100

Source: Primary Data, 2021

The Wright Map explains that the Indonesian newbie entrepreneurs. The results show that 52% of newbie entrepreneurs are low in entrepreneurial orientation since the entrepreneurial measure logit is below the mean of measure logit (2.63 logit). They are also low in need of achievement (54%) and need of affiliation (57%) since both measure logit is below the mean of measure logit (2.46 logit and 1.39 logit). On the contrary, they are highly in need of power (57%) since their measure logit is above (1.14 logit).

5.2 Statistical Hypothesis Testing

Multiple regression is the second form of analysis, which uses SPSS22 to examine at how the independent variable impacts the dependent variable (Hope et al. 1977). Table 3 illustrates the result of multiple regression relating the needs of achievement, affiliation, and power to the entrepreneurial orientation. What stands out in the table is that the need for power has a negative relationship with entrepreneurial orientation and has no significant effect on it. Meanwhile, both the need for achievement and the need for affiliation contribute positively and significantly to entrepreneurial orientation. Additionally, Tables 4 and 5 demonstrate all three dependent variables has a significant direct impact on entrepreneurial orientation simultaneously. It will be discussed in greater detail further down.

The multiple regression analysis shows that the first hypothesis, the need for achievement has a significant direct impact on entrepreneurial orientation, is statistically accepted since the significance level is lower than α 0,05. It implies that the need for achievement also contributes to the entrepreneurial orientation of the newbies. It supports the previous studies that a person who has a strong drive to develop and attain challenging objectives is a sign of a high need for achievement. They take calculated risks in achieving their goals and find innovative solutions to problems (Fischer et al., 2019; Royle and Hall 2012; Rybnicek et al. 2019; Schüler et al. 2010). The need for achievement has the strongest influence among the three other needs. It implies that newbie entrepreneurs must be able to think creatively and out of the box. It can keep its new business going and compete with other pandemic survivors by starting new ventures.

The second hypothesis, the need for affiliation directly impacts entrepreneurial orientation, is statistically accepted since the significance level is lower than α 0,05. It implies that the need for affiliation contributes to the newbies' entrepreneurial orientation. It is in line with the study of some scholars who proved that persons with a high need for affiliation passionately participate in team activities that promote interdependence and collaboration with others (Fan et al. 2021; Fischer et al. 2019; Royle and Hall 2012; Rybnicek et al. 2019). It infers those entrepreneurs need to have the ability to collaborate with their teams to strengthen their new venture.

The third hypothesis, the need for power has a significant direct impact on entrepreneurial orientation, is statistically declined since the significance level is higher than α 0,05. The result also shows that the need for power negatively influences entrepreneurial orientation. It is in line with previous research. It found that expressing the need for power has a mixed effect, especially on direct subordinates, who tend to react unfavorably to leaders with high power needs ((Fischer et al. 2019; Royle and Hall 2012; Schüler et al. 2010).

Table 3. Multiple Regression Results

	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
(Constant)	9.133	1.649		5.539	.000		
N Ach (X1)	.819	.062	.603	13.243	.000	.485	2.064
N Aff (X2)	.406	.076	.257	5.338	.000	.435	2.300
N Pow (X3)	-.036	.055	-.026	-.665	.506	.639	1.565

Regression equations can be created by examining the value of B (Coefficient Beta) in the unstandardized Coefficients. For example, according to the above table, the regression equation is:

$$\hat{Y} = 9.133 + 0.819 X1 + 0.406 X2 - 0.036 X3$$

The regression equations prove that entrepreneurial orientation is significantly influenced by 81.9% by the need for affiliation, 40,6% by the need for achievement

The fourth hypothesis, need for affiliation, need for achievement, and need for power, directly impacts entrepreneurial orientation simultaneously. It is statistically accepted since the significance level is lower than α 0,05 (Table 4). The result also shows that the all McClelland's social motives has significant influence on entrepreneurial orientation. It supports the previous study. EO is important in encouraging innovation, regeneration, and proactive activities over time (Débora Regina Schneider Locatelli 2021; Ida Ketut Kusumawijaya (Al Mamun et al. 2017; Lomberg et al. 2017; Rezaei and Ortt 2018).

Table 4. Model Summary Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8578.544	3	2859.515	207.223	.000 ^b
	Residual	5160.897	120	13.799		
	Total	13739.442	123			

a. Dependent Variable: Entrepreneurial Orientation (Y)

b. Predictors: (Constant), N Pow (X3), N Ach (X1), N Aff (X2)

The multiple regression also shows that the relationship between all the independent variables strongly influences entrepreneurial orientation simultaneously, proved by R-value 79% (Table 5).

Table 5. Model Summary Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.790 ^a	.624	.621	3.71473	1.856

a. Predictors: (Constant), N Pow (X3), N Ach (X1), N Aff (X2)

b. Dependent Variable: Entrepreneurial Orientation (Y)

5.3 Discussion

Wright Map illustrates the phenomenon of low entrepreneurial orientation in newbie entrepreneurs, indicating how workers affected by the pandemic are shifting to become entrepreneurs to earn a living. A possible explanation for these findings is that many newbie entrepreneurs are driven by necessity (survival mindset). They establish businesses to supplement their income or compensate for the loss of employment caused by the COVID-19 outbreak. As a result, newbie entrepreneurs have a poor entrepreneurial orientation. They lack the innovation spirit, proactivity, and willingness to take calculated risks in their business.

Necessity-based orientation also affects low achievement needs, indicating they do not focus on business growth. Additionally, this study discovered that the need for achievement significantly affects entrepreneurial orientation. They have no desire to increase their access to capital and markets. The fact that 99.6 percent of Indonesia's MSMEs contributed to GDP in 2021 corroborates it. Additionally, most newbie entrepreneurs operate their businesses without the assistance of an employee (self-employed). Is evidenced by the fact that only 3.47 percent of entrepreneurs receive permanent employee help. This finding also corroborates previous research. It indicates that individuals with a high need for achievement take calculated risks to accomplish their goals and have a greater desire to succeed at a higher level than other businesses. Additionally, as supported by previous studies, they are viewed as more effective leaders and possess a high level of competence in business management.

Surprisingly, the pandemic's newbie entrepreneurs are in desperate need of power. This demonstrates that not all employees can be entrepreneurs. They require the necessity of leadership and the freedom to become entrepreneurs. However, the need for power has a negative relationship and has no significant effect on entrepreneurial orientation. This means that their strong desire for power does not necessarily indicate a robust entrepreneurial orientation; rather, it indicates a pure survival orientation. This finding contradicts previous research showing that individuals with high power needs crave competitive, status-driven situations and actively seek to accumulate status symbols. It paves the

way for success in business management. Nevertheless, it's worth noting that the negative correlation is only 3.6 percent.

Furthermore, the low need for affiliation implies that newbie entrepreneurs lack enough network resources. We discovered that the need for affiliation significantly impacts entrepreneurial orientation. The research finds that entrepreneurial orientation has an indirect influence via network resources. This network method explains some organizations with limited internal resources. However, they can still accomplish their entrepreneurial aims. These findings corroborate recent research demonstrating that individuals with a high demand for affiliation can receive various forms of help from the connection. It enables the entrepreneurs to obtain the information and tools necessary to perform the business more efficiently, resulting in business success.

However, the most noteworthy discovery is that the need for affiliation, achievement, and power all have a strong direct effect on entrepreneurial orientation concurrently. Thus, it can be concluded that new entrepreneurs must excel in all three of these social motives. It will not be optimized if newbie entrepreneurs excel in only one area. Additionally, the need for power has a negative link and has no discernible effect on entrepreneurial orientation. It will be complemented by the need for affiliation and achievement. Entrepreneurial orientation is characterized by innovativeness, proactiveness, and risk-taking. It added by McClelland's strong social motives. This also corroborates our previous findings that McClelland's entrepreneurial behavioral characteristics can accurately predict SME employee entrepreneurial inclination.

The results have given that the portrait of the phenomenon of the need for achievement and the need for affiliation is still relatively low. The two enablers of entrepreneurial orientation must be strengthened through training. It can increase the need for achievement and social skills, such as improving social awareness and relationship management, which are dimensions of emotional intelligence variables. However, training should place a greater emphasis on entrepreneurial attitude than on technical abilities. The training would assist new entrepreneurs in developing an entrepreneurial mindset rather than a necessity-based mindset.

Additionally, new entrepreneurs should be encouraged to network more through communities. Social media can also be used to supplement network resources. The researchers believe that entrepreneurs who leverage networking and social media fulfill the affiliation need while facilitating their entrepreneurial orientation. In this networking initiative, new entrepreneurs can learn from more experienced entrepreneurs.

Finally, these findings may aid in our understanding of additional characteristics of successful newbie entrepreneurs through the lens of McClelland's social motivations. Previously, it was difficult to predict which newbie entrepreneurs would exhibit an entrepreneurial mindset. This implies the possibility of factoring in need for power, affiliation, and achievement when evaluating newbie entrepreneurs. It will benefit the Indonesian government or institutions if they can curate newbie entrepreneurs for funding or other development programs. This finding has significant implications for developing training/education programs for new entrepreneurs that emphasize social motives.

6. Conclusion

Many people have lost their jobs as a result of the COVID-19 outbreak. The majority of laid-off entered the informal sector, such as starting a micro, small and medium business. This study aims to investigate newbie entrepreneurs' entrepreneurial orientations using McClelland's classic theory of social motivations and entrepreneurship. A few studies have been on this issue, all of which used Rasch Model Analysis to describe the study phenomena. Multiple regression is used to test the validity of research ideas.

Wright Map in Rasch Model Analysis was used to describe the research phenomenon. It explains that the Indonesian newbie entrepreneurs are low in entrepreneurial orientation. Furthermore, they are also low in need of achievement and need of affiliation. On the contrary, they are highly in need of power.

The study hypotheses were validated using multiple regression. The Multiple Regression results indicate that the need for affiliation and achievement have a statistically significant direct effect on entrepreneurial inclination. On the other side, a need for power has a direct detrimental effect on entrepreneurial orientation and has been declining statistically. Simultaneously, the need for achievement, affiliation, and power all directly affect entrepreneurial orientation.

According to this study's findings, many new entrepreneurs are motivated by necessity (survival mindset). It demonstrates the critical nature of entrepreneurial training that focuses more on entrepreneurial attitude than on technical for Indonesian newcomers. Additionally, emerging entrepreneurs should be encouraged to engage in greater community-based networking. Social media may be utilized to augment network resources. Through the lens of McClelland's social motives, the data presented here offer new light on additional features of successful beginner entrepreneurs. This suggests that while judging novice entrepreneurs, the need for power, affiliation, and achievement might be considered. Furthermore, it will assist the Indonesian government and educational institutions by fostering the growth of newbie entrepreneurs.

There are still certain limits to the research. First, it would be preferable to expand the EO dimensions to five. It's also crucial to examine the impact of EO on the performance of newbie MSMEs. Finally, another study is needed to determine how the usefulness of achievement training, social skill training, and leadership training. Hopefully, it will be blended into the capabilities of newbie entrepreneurs in operating their businesses. In addition, the study's limitation is the small sample size of new entrepreneurs. Additionally, data were collected exclusively in the Greater Jakarta area. Despite the small sample size, this study provides valuable insight into the entrepreneurial behavior of new entrepreneurs. Furthermore, we can comprehend the connection between McClelland's social motivations and entrepreneurial orientation. Future research on this subject is therefore recommended. Additional research should be conducted to determine the social factors influencing newbie entrepreneurs' business performance. Future research may be possible to examine the relationship more thoroughly by including all Indonesian entrepreneurs (not just newcomers). Additionally, there are unanswered questions regarding enhancing entrepreneurs' social motivations.

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