THE IDENTIFICATION ELEMENTS OF COGNITION AND MOTIVATION: THE MANIFEST EMERGENCE OF NEW E-COMMERCE VENTURES IN MALAYSIA

AHMAD FIRDAUSE MD FADZIL¹, MOHD RAFI YAACOB², DZULKIFLI MUKHTAR³, HASIMI SALLEHUDEIN⁴, ROGIS BAKER⁵, MAHWISH JAMIL⁶

¹ Faculty of Business and Management, Universiti Sultan Zainal Abidin, Malaysia
², ³ Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia
⁴ Faculty of Information Science and Technology, Universiti Kebangsaan Malaysia, Malaysia
⁵ Faculty of Defence Studies and Management, Universiti Pertahanan Nasional Malaysia, Malaysia
⁶ Faculty of Management Studies, The University of Faisalabad, Pakistan

E-mail: ¹firdause@unisza.edu.my, ²rafi@umk.edu.my, ³dzulkifli@umk.edu.my, ⁴hasimi@ukm.edu.my, ⁵rogis@upnm.edu.my, ⁶asst.prof.ms920@tuf.edu.pk

ABSTRACT

Forming a venture is very challenging, and a lot of thinking. Particular attention is required to create a new venture especially in this highly profitable e-commerce field. But the cognitive aspects of an entrepreneur have only been examined with little attention in most established studies. Moreover, previous researchers have tended to ignore how the motivational questions of the entrepreneur influence the creation of a new e-commerce venture. There is still considerable uncertainty, and therefore this study aims to explore the role of cognitive and motivational factors in the creation of e-commerce ventures in Malaysia. This research employs a case-study methodology in which data were collected by interviewing 12 e-commerce entrepreneurs from May 2013 through December 2014. The findings showed that personal backgrounds (education and family), as well as job and business experiences, are the most important factors by cognitive entrepreneurs in Malaysia. There are three aspects of entrepreneurial motivation, namely the need for an entrepreneur to achieve his goals, strong business interest and a network external support. Malaysia’s new e-commerce venture creation strongly impact to Malaysia growth of economy. Therefore, it is better for government to encourage entrepreneurial activity in the region, underlining entrepreneurs' cognitive skills and motivational elements. Therefore, the government should encourage entrepreneurial activity in the region, highlighting entrepreneurs' cognitive skills and motivational elements.

Keywords: Entrepreneurship, New Venture Creation, Psychology and E-commerce

1. INTRODUCTION

Scholars address various topics in entrepreneurship research, including a wide variety of concepts. The following are multiple definitions of 'entrepreneurship' proposed by scholars, according to Per Davidsson a new entry, the creation of a new enterprise establishing organizations and doing something new with meaning [1] Such various terminologies also tend to emphasize the creation of a new organization in response to the question posed by Gartner 'How does an entity come into being,' but the meanings are not self-contained. Most of the research that has been carried out has been interested in the psychology of entrepreneurs as it plays a significant role in developing new ventures [2]. Shane points out in his insightful study the effect on the decision-making process of entrepreneurs of various qualities of individuals (i.e., cognition, motivation, and personality), which in this case applies to the circumstances of entrepreneurship [3]. Furthermore, a recent study highlighted individual characteristics as the vital elements for new social ventures and entrepreneurial family such as the need for achievement, the locus of control, age, risk-taking propensity, previous experience, and education [4, 5].

Moreover, the critical topic of interest in the field of entrepreneurship has become a cognitive feature in psychology. It is important to note that human
Entrepreneurship has been established as one of the significant contributing elements to growth in the business [11, 12]. The economic systems and market activity are mainly shaped by the enterprise [13], based on wealth creation [14,15] in turn promoting entrepreneurship for new products/services development [16]. It cannot be denied that entrepreneurship and entrepreneurship generally foster economic development even if they are not seen as a country’s principal growth factor.

The digital media era has witnessed the proliferation of technologies which are integrated with internet growth, which include; ICT and telecommunication, e-commerce, and other associated businesses. However, the benefits of e-commerce have made it the world's newest attraction based on public demand, and can be tracked online. Almost every aspect of e-business can be monitored online, including the customer base, sales, product delivery, and profit. The development of e-commerce has produced an excellent and robust profit, which, consequently, beats the conventional way of doing business, and this has turned e-commerce into a very reliable sales revenue growth source for firms [9]. According to Sallehudin, the implementation of e-commerce also increases non-profit organisation performance [17, 18]. The global statistic states that sales of e-commerce goods and services (B2C) in 2014 recorded a USD 1.5 trillion value, which is an increase of almost 20% compared to 2013. According to this study, the most popular category of products sold was not comprised of consumables but non-consumables such as clothing, travel services (hotel reservations or flights), e-books, event tickets, sporting goods, children's games, and others, which shows a two-digit percentage increase compared to 2011 for e-commerce purchases [19]. Meanwhile, e-commerce companies' has grown in Malaysia based on profits announced by Mr. Azizan Mohd Findi, the Planning and Coordination Commission's General Secretariat, who estimated approximately two billion dollars in 2010-2011 and three billion dollars in the following year [26]. Therefore, reasonable to sum up that e-commerce
growth in Malaysia is promising, given the limited
details on credible figures expressing the number of
business entities in the region. Based on above
statistics there is need to work on e-commerce
venture creation and the factor contributing to the
development of the ecommerce in Malaysia. However, previously both theoretical and practical
perspectives are ignored.

Nevertheless some of the scholars were very
concerned about the factors influencing a new
venture creation as the main driver for a country's
economic growth by broadening the opportunities
of new business, new jobs, and innovation [3, 19].

2. METHODOLOGY

The interview was conducted in this study for
data collection purposes of 12 successful
trepreneurs recommended by the Communication
Commission (MCMC) 2013. The variety of
demographic backgrounds of the interviewees, such
as types of their business, gender, place, and
historical experience, has been explored in this
study. The participants come in this context from
small and micro enterprises (SMEs), which hire
less than 30 people and have annual sales of less
than RM30 million. In this regard, it is important to
emphasize that the interviewees were very much
active in their full-time e-commerce companies that
had been operating from 1 to 6 years before the
interview. Every interview was recorded and
transcribed immediately, with a semi-structured
interview of all twelve participants. The interviews
examined provided appropriate categories or
themes that could fulfil the objective of the study
[20].

In the study, the tentative themes concepts
originating from the research questions were used
during the initial process of data analysis. Once the
themes had been developed, the data were then
compared according to each category. The first step
of inductive analysis (category construction)
involves the open coding of a passage in the
interview transcripts, in answer to the research
questions [20]. Resulting, the coding is classified
under one category known as axial coding
suggested by Corbin & Strauss [21]. The themes for
this study were developed on the basis of three
stages; (i) open coding, (ii) axial coding and (iii)
selective coding, in lined with Corbin & Strauss’s
grounded theory [21]. In particular, open coding
requires the themes to be determined by constantly
answering the research questions. Next review of
the transcripts, the open coding was established
under axial coding which is described as "coding
that comes from reflection on interpretation and
meaning". In other words, axial coding is derived
from several open coding texts that share similar
meanings or, that constructs a particular theme.
Axial coding is essential in formulating a theme as
it extracts several open coding except with similar
meanings. Selective coding is the final stage of data
analysis, which selectively codes the main
categories that are comprised of several axial
coding texts, to reinforce the establishment of the
main categories.

3. FINDING AND DISCUSSION

Human cognition processes are stimulated when
we gain understanding and knowledge through
thought, experience, and our senses. Ideas are
therefore received from previous experiences and
personal backgrounds, which have a considerable
influence on personal judgment and decision-
making. With this understanding, the decision to
start new ventures is based on this cognitive ability.
The findings of this study have clearly shown that
cognition is a strong link between cognitive
elements and an entrepreneur's thinking and
reasoning to his great influence on the creation of
new e-commerce ventures in Malaysia. The
cognitive roles of personal background, due to
family involvement in business, and other personal
experience related to business information, as well
as computer and technology knowledge, have
influenced the development of new ventures by e-
commerce entrepreneurs in Malaysia. The cognitive
perspective framework, which is of paramount
importance for the creation of new e-commerce
ventures, is shown in Figure 1:

![Figure 1: Cognition As A Component Which Contributes To New Ventures In E-Commerce In Malaysia.](image)
Based on Figure 1, the role of the cognitive perspective is derived from two key factors. The first factor relates to the role of cognitive in the personal background of an entrepreneur, which could include previous education and their family background. The second factor refers to the cognitive characteristics of entrepreneurs possessed by their previous work and business experience, namely before they decided to start an e-commerce venture in Malaysia.

The personal background of an entrepreneur, including their education, any specialized training, such as marketing or computer skills, before starting their business, plays a vital role in their decision to set up a new e-commerce venture. Education gives them information on how to generate basic ideas and how to start a new e-commerce venture. It enhances their critical thinking and their ability to ask themselves tough questions about their goals and, if any, to provide an honest self-assessment of their perceived strengths and weaknesses. Their family background is also an influential factor in the creation of new ventures among entrepreneurs. Their family background and family support in their business provide entrepreneurs with information and exposure to the business experience of trusted advisors. Since most entrepreneurs are young, this is particularly important if other family members share their knowledge of creating a product and managing a business successfully. Family support is essential, but other aspects of support could also affect the decision of the entrepreneur to start a new business. If the young family life of an entrepreneur is miserable, they may have a strong desire to help themselves as well as their parents, and this attraction of income growth as it relates to the support of an entrepreneur for their family could encourage the creation of new e-commerce.

Work experience is also a key factor for entrepreneurs who are leading new venture growth in Malaysia. Previous work experience by entrepreneurs gives them hands-on business knowledge, especially when it comes to computers that are a fundamental element needed to set up an e-commerce business. Previous work experience can be a catalyst for entrepreneurs if they have a terrible experience with a former boss or feel that their last company has not, as it should meet the targets. That is a keen diver for an entrepreneurial mind that sees the potential of a new business but is unable to develop a strategy because it is not the company's decision-maker. This weakness in Malaysia’s workplace hierarchy creates a spark that encourages great entrepreneurs. Along these lines, this study also included entrepreneurs among interviewees who had such challenging experiences in applying for work that difficulties support them to start their new e-commerce venture as their sole basis of income in their lives. On a more positive note, some entrepreneurs had different experiences in other solid and profitable businesses before start-up e-commerce venture. They already had a solid substance in business from the basic knowledge they gained from others in business, positive mentors who inspired them to create their own new e-commerce business.

Based on the findings of the analysis, it has clearly shown that the motivation of entrepreneurs has a significant influence on the process of new e-commerce venture creation in Malaysia. Three key elements have been identified as motivating drivers, namely the need for achievement of the entrepreneur, his interest in business, and his external support network. These are all essential elements for the creation of e-commerce venture in Malaysia.

The first element of an entrepreneur’s motivation, about Figure 2, is their need to achieve their goals. The desire to succeed is an internal stimulus that encourages future business success. The motivation of entrepreneurs to succeed is driven by driving factors such as their personal background and a strong desire to earn a profitable income through their e-commerce venture.

Background history plays an essential role in triggering an entrepreneur's desire to achieve his goal of future success. A person who is brought up in a low-income family environment will be more motivated to change their fate through business opportunities. In addition to their historical background, the study also found that there are more attractive factors, namely the desire to earn a
Interest is often linked to a person’s background, wished for, even without a clear motive or plan. Interest encourages a person’s intentions and motivates someone to set up a new business. As most of us know, an interest in technology inclines their start-up, which is closely related to their interest and the essential need for e-commerce start-up. For individuals who are not interested in information technology, e-commerce is not an appropriate start-up business, as it requires a high commitment of time in front of the computer and a fair, extensive knowledge of computer systems and software.

In addition to internal motivation, driven by a desire for success and an interest in business, looking at external motivation is more geared towards exploring external support factors that affect a person's decision-making and actions. The results of this study show that some external factors influence the motivation of entrepreneurs to engage in entrepreneurship. Without support for external motivation, it is difficult for entrepreneurs to feel ever more optimistic and eager during the process of business creation. However, ongoing customer support is an added tonic that inspires entrepreneurs to strive for the continued survival of their businesses. Without the unwavering support of the customer, it would be difficult for the company to obtain positive feedback on the products sold on the market. The existence of loyal customers who are continually supporting the products sold is an important signal of future business prospects.

As explained, the main factor that increases the motivation of entrepreneurship depends not only on the source of internal motivation but also on external motivation, in particular, the interaction of the immediate family. These family members can stimulate entrepreneurial motivation and provide valuable business support. With proper advice, encouragement, and information shared, the entrepreneur will be able to make them more successful. External motivation also arises when an entrepreneur encounters a lull in business but sees it as an opportunity to become more eager to overcome a problem. Successful entrepreneurs are not only working on current business, but are also strategizing their next marketing campaign, brainstorming the future direction of their business,

Interest in business is an internal stimulus to entrepreneurial motivation, apart from a desire to succeed. In general, the interests highlighted by entrepreneurs are divided into two categories, those of the business itself and equally strong interest in information technology. Both interests are of vital importance in the process of creating an e-commerce venture. As most of us know, an interest in the business is an essential foundation that motivates someone to set up a new business. Interest encourages a person's intentions and behavior to try something he has dreamed of or wished for, even without a clear motive or plan. Interest is often linked to a person's background, such as family history, education, and life experience, which encourages them to behave in such away. Initially, an entrepreneur's inherent interest in business can take the form of a regular job. Still, this interest, combined with other interests, can be a catalyst for entrepreneurship in e-commerce. Therefore, in addition to business interests, the entrepreneurs interviewed were also known to have a keen interest in information technology (IT), which is the foundation for an e-commerce business. People who are interested in information technology inclined their start-up, which is closely related to their interest and the essential need for e-commerce start-up. For individuals who are not interested in information technology, e-commerce is not an appropriate start-up business, as it requires a high commitment of time in front of the computer and a fair, extensive knowledge of computer systems and software.

In addition to internal motivation, driven by a desire for success and an interest in business, looking at external motivation is more geared towards exploring external support factors that affect a person's decision-making and actions. The results of this study show that some external factors influence the motivation of entrepreneurs to engage in entrepreneurship. Without support for external motivation, it is difficult for entrepreneurs to feel ever more optimistic and eager during the process of business creation. However, ongoing customer support is an added tonic that inspires entrepreneurs to strive for the continued survival of their businesses. Without the unwavering support of the customer, it would be difficult for the company to obtain positive feedback on the products sold on the market. The existence of loyal customers who are continually supporting the products sold is an important signal of future business prospects.
and studying human purchasing behavior. Also, the monopoly of the middleman has given entrepreneurs a unique boost to run e-commerce for increased profit without being dependent on them in the future. After all, the middleman is typically stuck in their current location and has a finite number of customers to sell. Not so for a creative entrepreneur who can cognitively strategize to take advantage of both his internal and external motivational resources.

The findings of the study are unique and new in the new ecommerce venture creation. There are several authors who contributed towards the new venture creation. For instance, Concetta and Ernesto who presented the entrepreneurial behaviour towards the new venture creation. However, the findings of these studies are different, as current study is more focused about new ventures creation of e-commerce [21, 22].

4. LIMITATIONS OF STUDY

This research was performed by interviewing 12 e-commerce entrepreneurs listed by MCMC 2012 with a purposive sampling and snowball approach. This is the study's drawback since a limited sample is selected. This is the study's drawback since a limited sample is selected. Small sample sizes chosen based on case studies would continue to make this analysis unsuitable for adaptation to different locations and samples. Davidsson argues that there are several challenges to venture creation process studies, with limited information available. Entrepreneurship research requires a longitudinal study involving a long process of data collection, beginning with generating ideas until the organization are established. Although the amount of time an entrepreneur has taken to launch a new venture often varies. This study therefore used data collection methods based only on cross-sectional after new ventures were established during the early stages of start-up without researchers attached to the all process [13]. According to Bryman and Bell in qualitative research the problem of "generalization" is less relevant, as it focuses more on in-depth analysis. This research, hence, does not reflect the entire population of Malaysian e-commerce entrepreneurs, but is merely an exploratory analysis to find out how this phenomenon occurs. Therefore, this study emphasizes the interpretation provided in the sense of interviews in greater detail [20, 24].

5. FUTURE DIRECTION

This study used qualitative approach to explore the cognition and motivation factors towards the new e-commerce venture creation. This study recommended using the quantitative approach for testing the results of this study. Secondly, sample size was small due to in depth study a large sample size also recommended for generalization of this study.

6. CONCLUSION

In conclusion, an entrepreneur's personal background, including his or her past in education and family, jobs and business experience, plays a significant role in e-commerce's cognitive perspective, as it offers a valuable source of knowledge for entrepreneurs to introduce a successful venture compared to others who have no business information or experience to draw from. Three key motivational elements are the need to achieve goals; a strong interest in business and an external support network are also causative to the creation of new e-commerce ventures in Malaysia. The cognitive and motivational elements in entrepreneurs identified in this study provide a solid answer to the question "How does an organization come into existence?" in the field of entrepreneurship.

7. AUTHORS CONTRIBUTION:

All the authors have contributed equally to this study. The expertise of the researchers ensures a rigorous research paper in the field of entrepreneurship. Data collections, methodology, data analysis, write up and proofreading were the tasks of this paper which was spontaneously performed by the all authors.

8. ACKNOWLEDGEMENT

This research was supported by Ministry of Higher Education (MOHE) through Fundamental Research Grant Scheme (FRGS/1/2018/SS03/UNISZA/02/03) provided by Ministry of Higher Education of Malaysia (MOHE).
REFERENCES


[23] Amorós JE, Cristi O, Naudé W. Entrepreneurship and subjective well-

