

# Achievement Motive and Entrepreneurial of Public Accountants (A Survey on Accounting Firms in Bandung)

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**ABSTRACT** - Entrepreneurial zest is important for Accounting Firms in order to enable to compete in various business environments. Profession implementation in Accounting Firms field has correlation with motivation to gain achievement and has high entrepreneurship spirit. Given services to the clients are not only on services but also on friendliness and on the development of clients' trust. The services are excessively affected by work motivation of the businessmen and by their strong entrepreneurial orientation capability for the success indicator of Accounting Firms depends on individual working in it. This study examines the correlation between motivation and entrepreneurship of public accountant. This research uses 84 samples of 22 Accounting Firms in Bandung. Based on study result using Canonic analysis this coefficient correlation shows that all public accountants in Bandung have achievement motivation and entrepreneurial orientation at intermediate level.

**Keywords:** Motivation, entrepreneurial, accountant.

## I. INTRODUCTIONS

Environment condition is now getting unstable because of various changes demanding an individual or an organization to be capable to be more responsive and flexible in dealing with stricthen global competition. This must be realized completely by either Accounting Firms or every one within Accounting Firms itself.

Public accountants must keep the clients' trust so that professional life of public accountants will be better. The dissapointment and dissatisfaction of the clients towards given services will affect reputation of the public accountant offices. Consequently, assignment demands of examination services given by public accountant will be decreased. As the result, the amount of Accounting Firms apprentice decreased from 29 to 24 in Bandung [1].

In undergoing enterprise in this Accounting Firms field motivation is needed to gain achievement. Besides, there are many requirements to have high *entrepreneurship* zest. The development of Accounting Firms really depends on the agents in Accounting Firms and on how they give their services to their clients. The services must be friendly and must be able to develop *clients' trust*. They are excessively affected by work motivation of the businessmen and by their strong entrepreneurial orientation capability for the success indicator of Accounting Firms depends on individual

working in it. Services which are given by Accounting Firms encompass: (1) Assurance Services. (2) Attestation Services. [2].

Does achievement motive of public accountant in application of Accounting Firms profession have relation with *entrepreneurial* orientation for every individual within it?

The aim of this research is to know the relation between achievement motive of public accountant individual and entrepreneurial orientation within them.

## II. PRIOR RESEARCH AND HYPOTHESIS

### A. Achievement Motivation

Berelson and Steiner, in Luthans, [3] say that motivation exists because there is a motivation as a statement from oneself giving power, activates, or moves (until motivation is formed). Next, aiming or channeling attitudes in order to fulfill certain purposes. Motivation is the power whose role is to reveal and direct an employee's attitude [4].

If needs is considered to be a background providing one's attitude, then the strongest need in oneself in particular times will have the greatest incentive which can urge one's attitude to the attainment of an achievement. When somebody has been able to fulfill the need which is considered as the strongest, the needs with higher level usually will appear so that behavioral pattern within oneself will reoccur until his purpose to fulfill his need can be reached.

Sagie and Elizur [5] quotes that in traditional concepts achievement motive is the nature existing in somebody which motivates himself to deal with challenges in order to gain success and superiority [6]. There are six components in achivement motive that is; (a) Readiness to face uncertainly; (b) The ability of calculating risk; (c) The ability of undertaking personal responsibility; (d) The ability of solving problems; (e) The ability of confronting difficulties; (f) Gratifying the need to succeed.

### B. Entrepreneurship

Hisrich and Peters [7] defines entrepreneurship as a process which will create something which have different

value to readiness of giving some times and efforts with assumption which is supported by financial and psychological ability and the endurance of social risks in order to get reward in a form of monetary and personal satisfaction.

Kuratko and Hodgetts [8] view *entrepreneurship* can be identified as the interaction of various skills. They are: (1) Inner control, (2) Determination of goal and plan, (3) Taking of Risks, (4) Innovation, (5) Perception of reality, (6) The using of feedback, (7) Decision making, (8) Interpersonal relations, (9) Autonomy, (10) Not afraid of failure.

Individual with high achievement motives will tend to love assignments and challenges with either moderate or medium risks, having high needs of immediate feedback and enjoying a condition in where he can bear responsibility personally for the result of his works as well as the condition in where he can attempt new technique to solve an assignment [6] whereas concepts of *achievement motive* is an approach which can be used to comprehend about entrepreneurial orientation in oneself [5] and even (McClelland, in Robin) [6] argues that the need of achievement is something which is gained by an individual in his interaction with culture and is a psychological attribute which is crucial for *entrepreneurs*. This argument in fact is also supported by a research carried out by [5].

### C. Research Hypothesis

Hypothesis in this research is as follows:  
The existence of *achievement motive* has strong relation with *entrepreneurial orientation* in every public accounting individual.

## III. RESEARCH METHOD

The object of this research is the relation between *achievement motive* and *entrepreneurial orientation* of Accounting Firms in Bandung.

### A. Sampling Method

Population in this research is all public accountants in Bandung. This method is carried out in order that *accessible population* is decided [9]. Taken samples from the members of Accounting Firms in Bandung are 24 (twenty four) Accounting Firms which have been working for at least a year so that they are expected to have had achievement. The amounts of the samples are 96 persons. The determination of the amount of the samples of each Accounting Firms is about 3-4 individuals (*quota sampling*) and sample taking is also carried out based on the capability and the extent of the researcher (*convenience sampling*). For the selection of research subject, *purposive random sampling* method is used in where research subject is based on the characteristics of population which has been determined. Next, the research subject are taken randomly from samples of groups/population [10].

## D. Data Collection

This research uses primary data. This primary data are obtained through survey and direct observation. Survey method used questionnaires as a research instrument while direct observation was carried out to view the real condition whether Accounting Firms had urged its accountants in order to have strong *achievement motive* or not. Secondary data include how to build motivation, strategy, and how issues of Accounting Firms *entrepreneurships* are gained through literature study. Such data can be obtained from various articles explaining about Accounting Firms and The Indonesian Institute of Public Accountants (IIPA).

## E. Method of Data Analysis

The data which had been collected were analyzed according to their types (primary or secondary). Primary data were analyzed by statistic instruments through the aid of *software* SPSS 13.0 for Windows [11]. Validity and reliability examination to measure instrument were carried out before by correlation method. Hypothesis examination was carried out by using *hivariate correlation Spearman Correlation Coefficient* method to see direction/characteristic and the strong relation between *achievement motive* components and *entrepreneurial orientation*. To see the significance of *achievement motive* components and *entrepreneurial orientation* while secondary data were analyzed qualitatively as an effort to look for the answers of the problems which become the core of cause in which this research needs to be carried out.

## IV. RESULT

### A. The Results of Data Collection

Questionnaires distributed were 96 copies consisting of two parts.

From 96 copies which were distributed, questionnaires which were returned were 84 copies from 22 Accounting Firms. Total questionnaires which were reasonable to be analyzed were 84 copies. From 96 copies which were distributed and which could be received were 84 copies (88% of distributed copies).

### B. Validity and Reliability Test of Achievement Motivation and Entrepreneurial Questionnaires

Questionnaires are used to measure achievement motive level of respondents is improved by referring to 18-items of *Achievement Motive Questionnaires* (AMQ, Elizur, 1999) [5].

Based on the result of the examination, 14 (fourteen) questions about achievement motivation and 8 (eight) questions about *Entrepreneurships* are valid. This is shown by the value of positive *r-result* and the *r-result* is greater than table value.

The rate of *r-tabel* for 48 respondents and significance level 5 % is 0.213. At *output* program, *r-result* for each item can be seen in CORRECTED ITEM - TOTAL CORRELATION column. The quantities of all *r-result* are

about more than 0.213. Therefore, all question items in this achievement motive questionnaire are valid and can be used as an instrument for further analysis.

Cronbach's Alpha (reliability coefficient which shows the quantity of correlation among items in a questionnaire) which is gained from this examination is about **0.783** (reliability is determined by positive Alpha and close to number 1). According to Sekaran [10], with Alpha up to 0.7 a questionnaire can be considered as a good one and can be applied. Therefore, all question items in the achievement motive questionnaire, then, can be considered as valid and reliable.

The enterpreneurial orientation of the respondents were evaluated by applying *Garland Entrepreneurship Index* by using Likert scale. Licert scale (Absolutely Agree, Agree, Neutral, Disagree, and Really Disagree) is used to measure the scale. This Licert scale is applied in both *Achievement Motive* and enterpreneurial orientation calculation.

Some question items in this questionnaire are sentences whose meanings are in contrast so that to see consistency and stability of the answers which are given by the respondents the scoring needed to be inverted. Therefore *Absolutely Agree* attitude whose score in the beginning is 5 becomes 1.

There are four questions of enterpreneurship and four questions of motivation which are invalid in the result of validity and reliability measurement of 12 items of *entrepreneurial* and 18 questions of motivation at  $\alpha = 0.05$  because they have negative *r-result* or do not fulfill the requirement of questionnaire reliability so that invalid questions items must be discarded. The next step is by using *trial and error* discarding invalid items (questions) one by one. Thus there are 8 questions about enterpreneurship and 14 questions about motivation which are valid. The result of validity and reliability measurement of 8 questions about *entrepreneurship* and 14 questions about motivation at  $\alpha = 0.05$ . After discarding 4 (four) questions about enterpreneurship and 4 questions about motivation in this questionnaire, 8 questions about *entrepreneurship* and 12 questions about motivation which are valid are obtained and Alpha value is **0.783**. With the Alpha index a questionnaire has fulfilled the requirement to be applied. It means that the requirement of validity and reliability of a questionnaire have been fulfilled and the respondents have given consistent answers of their attitudes. Thus the questionnaires have been able to be used for further analysis.

### C. Test of Hypotheses

#### a . Analysis of The Relation between Achievement Motivation and Entrepreneurial in Accounting Firms

Applied analysis was Canonic correlation analysis with consideration that examined variables were ordinal data stated in Likert scale (1-5). This analysis aims to find out whether achievement motive has significance connection

to *intrepreneurial* orientation.

This analysis was carried out by considering the quantity of correlation coefficient between achievement motive variable and *entrepreneurial* orientation. The calculation of this coefficient correlation used Canonic correlation analysis because all of variables in this research are ordinal variable. This Canonic correlation analysis [12] can be carried out by applying SPSS Release 13.0. [11]. Program for Windows 2000. From *result* which were produced are known that in the observation towards 84 respondents with significance degree 5% and examination two sides of Spearman correlation coefficient is 0.737. Strong correlation requires positive sign and the quantity of correlation number is above 0.5. Therefore, based on obtained results in which positive coefficient exists and is greater than 0.5, the correlation between achievement motive and *entrepreneurial* orientation in Accounting Firms can be considered significance even in the level of 0.01 or 1%. Next, correlation analysis will be carried out in 24 Accounting Firms in the same way as correlation examination are carried out totally. It means achievement motive of public accountant are directed to its entrepreneurship. In other words, entrepreneurship of public accountant in Bandung is stimulated by one's motivation/one's wish to get achievement. Public accountants generally have readiness in dealing with uncertainty (*readiness to face uncertainty*), have capability of risks calculation (*calculating risk*), have capability of undertaking personal responsibility (*undertaking personal responsibility*), have capability of solving problems (*solving problems*), have capability of confronting difficulties (*confronting difficulties*), and manage to satisfy the needs for success (*gratifying the need to succeed*), as their motivation to carry out entrepreneurship in Accounting Firms and always strive for giving good services eagerly of audit service aiming to achieve the goals of Accounting Firms.

In their efforts, public accountants have never been able to ascertain the success or failure of enterpreneurships which will be carried out, they do not want to implement an enterpreneurship which may fail because they assumed that enterpreneurial concern is one of the most important concerns in their lives. Money and success are two things which move coherently. If they assume that challenges dealt with must be balance on enterpreneurial success and gained money and assume that business/ enterpreneurship can develop, they will be able to bear any risks. They even will be able to see enterpreneurial opportunity in a situation and will often think of the cause of a situation.

#### b. Achievement Motivation Average Value

This analysis can be used as an instrument to classify in which category a business agent of Accounting Firms including an individual who has high, medium or low achievement motive. To determine the standard of this achievement motive classification at first the quantity of expected class amount is determined. In this case, kits will

classify respondents into three classes. They are low, medium, and high. Next, the quantity of interval or length within a class is determined. This interval is obtained by seeking the difference among maximum value of achievement motivation from the result of respondents' answers are subtracted its minimum value. This calculation produces range, then is divided into three (according to the amount of classes, low, medium, or high) [13]. After obtaining interval quantity for each class, the quantity classification of respondents' achievement motivation (whether it is low, medium, or high) can be known. The formula which is used to calculate the interval quantity for each class is as follow:

**Figure1:**

$$i = \frac{(\text{max value} - \text{min value})}{c}$$

where

i : class interval

max value: the value of the greatest achievement motives

min value: the value of the smallest achievement motives

c : the amount of the classes

Total score in all questionnaires shows maximum value of achievement motive is 69 and its minimum value is 44. From looking at the total score the quantity of class interval can be known:  $i = (69 - 44)/3$   
 $= 8.33$  is rounded up to be 8

Based on the formula above class interval is obtained that is 8. Thus the respondents can be classified into the following classes:

TABLE I.  
THE LEVEL OF THE ACHIEVEMENT MOTIVE OF THE RESPONDENTS

Total Score	The Level of The Achievement Motive
44 - 51	Low
52 - 59	Medium
60 - 67	High

The average value of achievement motive for all respondents are 84 orang. Manually, the average value of this achievement motive are calculated by counting up the scores of the respondents' answers and the result are divided by the amount of the respondents afterwards. This analysis also can be carried out by applying SPSS 13.0 program for Windows [11]. at Frequencies menu (output is enclosed).

From program output the amount of total score of the answers of 84 respondents can be seen. It produces ordinal 4,686 after it was divided by the amount of respondents. The average value is about 55.786 and was gained by the amount of the value which appears very frequent (Modus) is 56. This average value is in class interval 52 - 59 (in medium achievement motive category). Thus all respondents have **medium** level achievement motive on an average.

### c. Average Score of Entrepreneurial Orientation

The result of this analysis can be used as an instrument to classify entrepreneurial orientation category (high, medium or low) of the agents/people in Accounting Firms. In determining the standard of this orientation classification first is determining of the amount of expected classes was carried out. In the same way as the classification of achievement motives, respondents were grouped into three classes (low, medium, and high). The next step is that determining the length of interval or distance in a class. This interval was gained by seeking the difference among maximum value of entrepreneurial orientation from the result of the respondents' answers and are subtracted its minimum value. This calculation produces range and then it is divided into three (according to the amount of classes, low, medium, or high) [13]. After obtaining interval quantity for each class, the quantity classification of respondents' achievement motives can be known. The formula which is used to calculate the interval quantity of each class is similar to **Figure1**.

Total score in all questionnaires shows maximum value of entrepreneurial is 40 and its minimum value is 26. From looking at the total score the quantity of class interval can be known:  $i = (40 - 26)/3$   
 $= 4.67$  is rounded up to be = 5

Based on the formula above class interval is obtained that is 5. Thus the respondents can be classified into the following classes:

TABLE II.  
THE LEVEL OF ENTREPRENEURIAL RESPONDEN

Total Score	The Level of Entrepreneurial
26 - 30	Low
31 - 35	Medium
36 - 40	High

Manually, the way to calculate the average score of this entrepreneurial orientation is similar to achievement motive.

From program output the amount of total score of the answers of 84 respondents can be seen. It produces ordinal 2,743. After it was divided by the amount of respondents the average value is about 32.655. These average scores are between the limit of medium class and high class so that to group the scores the tendency of the answers' direction is needed to be considered. Based on produced histogram curves, average value from 31 to 35 is gained from most of the respondents so that the whole respondents can be classified into **medium** level of entrepreneurial orientation category.

### d. Analysis of Correlation Result and Average Scores

Overall correlation examination of the two variables which produces cardinal 0.737, this number shows that achievement motive has significant relation with entrepreneurial orientation within every public accountant (Accounting Firms) in Bandung. This shows that

entrepreneurial orientation level is strongly affected by the level of achievement motive within oneself. However, it is admitted that generally based on the result of average scores examination the respondents have the level of achievement motive and have entrepreneurial orientation in medium level. The phenomena above can be considered as normal because the existence of Accounting Firms in Bandung are mostly recent so that the amount of the members of Accounting Firms which want to be active in it have not yet great in quantity. However, the most important thing is that they are potential to develop. This can be seen from their average scores which show that their orientation is great enough as Accounting Firms.

Correlation examination shows that Canonic correlation coefficient gives positive sign is 0.65020 and the range is greater than 0.5 at significant degree 5% (two sides): Thus, it can be concluded that the relation between achievement motive variable and entrepreneurial orientation variable in every Accounting Firms is significant. Besides, strengthen analysis hypothesis average scores of both variables are used. The result of this really supports the argument that as achievement motive arises within oneself, then his entrepreneurial orientation will be greater too. In these Accounting Firms, the respondents have medium level of achievement motive in average but their level of entrepreneurial orientation tend to be high and still have opportunities to be improved.

The invention above gives new possibilities and there are many another factors urging an individual to have high *entrepreneurial* orientation and enabling him to reach success in business including in Accounting Firms.

Based on the result of the implemented examination to hypothesis which has been formulated in the beginning of this research, therefore, this research hypothesis states that there is an acceptable correlation between achievement motive and entrepreneurial orientation in Accounting Firms.

## V. CONCLUSIONS

The analysis result of the relation between achievement motive and entrepreneurial orientation in 22 Accounting Firms also shows significant results. It means that entrepreneurial orientation at every Accounting Firms, either it is low, medium or high is also determined by the existence of achievement motive level within the individuals in Accounting Firms.

The significant correlation results between achievement motive and entrepreneurial orientation in Accounting Firms in Bandung can be considered as the basic consideration for managements of Accounting Firms to be able to improve its members' achievement motive and emphasizes on the improvement of individuals' quality so that their self-confidence improves when they carry out their function. Accounting Firms can be more focus on the improvement of achievement motive of every individual so that one's entrepreneurial orientation and his opportunity to become a successful entrepreneur are greater. Thus Accounting Firms can lead its members to deal with challenges in this business and lead them to be stronger when they meet their

challenges.

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