

Assessing Entrepreneurial Motivations: From the Perspectives of Vietnamese Founders in the Public Relations Industry

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ABSTRACT

With the increased importance of SMEs, especially in the Asia Pacific region, the demand for research on these topics continues to rise. The focus of this study is on the motivations of the founders behind their decisions for a growing business in an emerging Asian market, Vietnam.

The findings of this study present that the public relations founders in Vietnam are generally driven by the accomplishments and challenges picked up from the entrepreneurial journey. They are not as focused on company control or economic gain from founding a company. They are also open to delegating their role to a professional manager, who already possesses the required management skills, to support the business.

This study contributes to the scholarship of entrepreneurship and SMEs by exploring the entrepreneurial experience and decisions during the company growth stage. It challenges the assumption that entrepreneurs pursue growth and usually experience the growth versus delegation crisis.

Keywords: *entrepreneur, founder's decision, growth stage, public relations, Vietnam, SMEs*

1. INTRODUCTION

An entrepreneur building a company requires much effort and time investment, and this is such a daunting task. However, as the company grows beyond a certain point, many founders find a dilemma of whether to grow their company, and how to grow it [1,2]. This study looks into the entrepreneurial motivations to understand a founder's decision to pursue high business growth.

The focus of this study is the Small and Medium Enterprises (SMEs), which are a central component in the development of an economy. Most business literature about Asian markets pays attention to China, Japan, Korea, or Thailand, and overlooks other markets, including Vietnam. Among the limited number of Vietnam-oriented business research, most research focuses on how SMEs can succeed in their earlier, start-up periods and misses the changes of the business after it has been launched. Since the influences of Vietnamese entrepreneurial founders on the growth stage of their companies is mostly unexplored, this study focuses on the characteristics and motivations of the founders behind their decisions for a growing business.

This research contributes to the broader business literature on Vietnamese entrepreneurship and firm structures through concrete examples hailed from public relations. This industry serves as a barometer to reflect important transformational changes that have been taking place since the country's Reform Policy was stipulated in the early 1990s. Most public relations consultant agencies in Vietnam are relatively young, start-up agencies that are

either in the launching stage or in the growth stage, which makes them a suitable population for the study. This study engages a series of interviews with the agencies' founders to understand their decisions in the company growth stage. This study is expected to expand the body of knowledge about Vietnamese entrepreneurship by exploring the reasons behind the founders' decisions over their companies during the growth stage.

2. LITERATURE REVIEW

Some people have different reasons and motivations to become entrepreneurs. They can be pulled into starting a business by their own desires and suitable strengths, or pushed into the situation to escape poverty, unemployment or job dissatisfaction [3]. Researchers in this topic identified different entrepreneurial motivations that influence a person to start a business, including personality traits, background, social and family role, experience, opportunities, among others. In their 2013 study, Jayawarna and colleagues examined the motivations in the past research and categorized them into three main profiles: career, household and business. Career motivation is shaped by an individual's background (family, origin, education) and work experience [4]. An entrepreneur with this motivation is pulled into starting a company for autonomy, wealth or personal purposes [3] and desires to gain independence through entrepreneurship [5]. Household motivation is shaped by the economic role in the household [4]. An entrepreneur with this motivation is pushed into starting a

company to improve current conditions (usually economics) [3], and usually desires to have economic gain to support their family [6]. The other motivation, business motivation, is shaped by an individual's experience in organizing resources and achieving business outcomes [4]. A person with this motivation usually desires to afford prestige social status through entrepreneurship [7]. Jayawarna and colleagues assessed that, depending on their motivations to launch the business, their type of business resource, the entrepreneurs have different levels of involvement and motivation to grow the business [4]. In general, entrepreneurs with a business motivation and a drive for achievements are more likely to invest their time and efforts to improve a company's performance.

As a developing country, Vietnam has different economic and business environments from those of the Western countries that may contribute to the founder's entrepreneurial decisions. Thus, it is worth visiting the motivations that make Vietnamese entrepreneurs want to start a business and seeing if they affect the motivations to grow the company. According to Eijdenberg and colleagues, entrepreneurial motivation is less based on potential opportunity or personality, but on the external circumstances, such as employment alternatives or the desire for a more satisfactory position [8]. Previous literature also indicates that the entrepreneurial motivations are influenced by cultures, and thus are different across countries [9,10]. For example, entrepreneurs in Vietnam are more motivated by economic desires than their counterparts in Western countries. Perri and Chu surveyed 223 small business founders in Vietnam. They concluded that their most crucial motivation (to start a company) is to become their own boss and to earn better personal income [3]. The desire to run a company also leads to personal satisfaction for the Vietnamese founders. Given these founding motivations, the research question of the present study is:

RQ: How do a Vietnamese founder's motivations to launch a company affect his motivations to grow the company?

3. RESEARCH DESIGN

The study adopted the inductive, grounded theory approach, which is a process of using data collected from fieldwork to identify, develop, and consolidate concepts. The data were gathered using a series of In-Depth Interviews (IDIs) with public relations agencies' founders in Vietnam. The IDIs were conducted until the research reaches saturation, which is the point when each studied category is fully developed with no new information emerges.

The participants are the founders of public relations agencies in Vietnam, chosen by using the purposive sampling technique. The contacts were drawn from a Google Search using keywords such as "Vietnam public relations agency" and "Vietnam PR agency" to identify the most prominent and relevant agencies, as suggested and ranked by the search engine. The agencies found had their websites scanned to see if they and their founders meet the inclusion criteria. The founders (the founder can be

different from the current manager) of the qualified companies were identified and contacted accordingly. The participants fell under one of the two categories: (1) founder who chose to retain control during the growth stage, and (2) founder who released some control to a professional manager during the growth stage. The researcher aimed to conduct at least five interviews for each category, or to the point of data saturation, once the answers no longer provide new information.

4. RESULTS AND DISCUSSIONS

There were 22 qualified founders of the public relations agencies identified as the potential participants. These people were contacted by email to confirm their eligibility and pitch for their interest to participate. From the 22 people on the list, eight responded and agreed to participate in the interview. After each interview, the researcher used the snowball sampling technique and asked the participants to refer other suitable founders in their network to participate in this study. The referred founders had their profiles checked, and those whose profiles matched the selection criteria were then contacted. Twelve interviews, with six interviews in each category, were conducted until the researcher considered data saturation.

The interview results indicate that Vietnamese founders are motivated more by the achievements and challenges a business entails than by high growth. The founders in the public relations industry in Vietnam who participated had different motivations in deciding to launch their business. Their motivations cover three interconnected and changing profiles, which are career life course, household life course, and business life course [4]. Most founder participating in this study belong to the business life course: they started up as a response to a business opportunity and pursued social status afforded to business ownership, or they started up as a response to the challenges of running a business. These motivations are closely similar to the learning and earning entrepreneurial characteristics. As defined by Jayawarna et al., a learning and earning entrepreneur is driven by the opportunities and challenges associated with running a business [4]. They focus more on achievements, challenges, wealth creation, rather than business control or flexibility. Also based on the motivation clusters defined by these authors, the other less mentioned clusters among the participants are reluctant (belong to the career life course, when the motivation is unsatisfied employment, a tedious job, or a less than compatible supervisor), and convenience (household life course, when the motivation is financial reasons to support themselves and their families).

These motivation profiles are an unexpected finding. Because Vietnam is an under-developed country, it might be assumed that Vietnamese founders desire for higher income, better job security, and improved economic status [3]. Perri and Chu expected that the founders of Vietnamese SMEs would belong to the economically-driven motivation cluster, and pay the most attention to material factors and financial gains through entrepreneurship [3]. However, the entrepreneurs studied in this particular public relations

industry have more achievements and are challenge-driven. As firm growth is usually associated with better profitability and sustainability [11], when the entrepreneurs in this public relations sector do not fixate profitability, they would have less motivation to pursue firm growth.

Furthermore, some founders are less willing to, or prepared for, making necessary changes to grow [12]. This assessment holds especially true for SMEs, as some SMEs prefer to stay under the radar and pursue sustainability instead of high growth. This preference for being small was demonstrated in the responses of this present study. Eleven out of twelve participants choose to keep their agencies small since the beginning of the business. Four participants defined their company strategies as keeping the business small, 'boutique' and selective, maintaining moderate and sustainable growth, and maintaining the company structure from the beginning.

I think that the way things stand at the moment, I'm able to make a decent living, and the company is profitable. I'm not looking to triple the size of the company [or pursue high growth]. I want to cement our position where we are now. – Participant C2.

For them, being small means managing more effectively and making more informed decisions. Their reasons align with the findings from the literature, which mentioned that SME entrepreneurs think that the bigger the company, the more vulnerable it is during a crisis [13,14]. Being small also makes the firm more flexible and easier to manage [15,16].

By keeping [the company] boutique, I can carefully select my team members, my suppliers and other collaborators. I can build trust with my clients and partners, because they know everything I do is set to a high standard. – Participant H1.

The study findings suggest that most entrepreneurs in Vietnam's public relations industry find motivations in the achievements and challenges a business entails when they decide to launch their firms. They are less motivated by financial gains. As a result, their motivation for high firm growth is not significant. They would choose moderate growth, small size, manageable control over profit, or other material factors.

Nonetheless, this pursuit of moderate growth is unexpected. There are three growth strategies described by the participating founders: keeping the business small, 'boutique' and selective, maintaining moderate and sustainable growth, and maintaining the company structure from the beginning. Except for participant L2, all other participants opted to maintain moderate growth, keep their agencies small in size and mostly unchanged from the early stage. While this low to slow growth performance is usually observed in the reluctant and convenient entrepreneurship, it is not a characteristic of learning and earning entrepreneurship. These learning and earning entrepreneurs are usually people who desire economic gain and have a firm intention to grow the business [4]. These variations

could be explained with participant L2's response, when he answered why he chose to leave the industry:

The public relations industry in Vietnam is very small, and it's hard to scale. It means that the sales only fall into the few millions of dollars. Secondly, it's very difficult to find the right talents because the industry is closely related to humans. In Vietnam, human resources don't have enough talent in communication and PR because the education system here can't catch up quickly with market trends to create momentum for that industry. This is why I decided to merge and left the industry for something else.

Participant L2 was the only one among the participants who chose to pursue high growth. He developed his agency into a more significant, reputational business. He later merged it with an international public relations group when he thought that there was little more room to grow. From his response, it could be inferred that the public relations industry in Vietnam is not lucrative or with rapid growth. Entrepreneurs in this field could already be used to the characteristics of the industry, and they adapted to maintain a moderate, sustainable growth rate instead.

To conclude, growth is not a primary focus for public relations founders. They are, or used to be, open to the idea of delegation and willing to train others to take over. This absence of the growth dilemma may happen because growth and control are not the primary motivation and focus of the founders in this industry.

5. CONCLUSIONS

The study found that the founders in Vietnam's public relations industry are challenge-driven. These founders appreciate learning and earning opportunities more than company growth or control. This is an unexpected finding in Vietnam, because as Vietnam is a less developed country, previous literature assessed that the main motivation for Vietnamese entrepreneurs is financial gain. However, in this case, growth and control are not the primary motivation and focus of the founders in this public relations industry. Countries in Emerging Asia (as compared to Developed Asia) are seeing their service industries playing an increasingly important role in the economic development journey. Thus, further focus on management theory and practices dedicated to the service industries is all the more important. This study helps expand the body of knowledge about Vietnamese entrepreneurship, and the Vietnamese public relations agencies. It also provides a practical application for the entrepreneurs and business people in Vietnam, as it provides insights to the founders in the growth stage through the experience of the studied entrepreneurs. Hence, this findings should be of interest to both business scholars and practitioners.

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