

# Motivating Economic Achievement

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Mr. Lasker also coded the activities of all the men he contacted and again estimated that about 70 per cent of them were involved in extensive planning for expanded business activities.

Mr. Lasker happened to visit Kakinada shortly after a major community calamity, which evoked a rather unexpected response from the Kakinada Entrepreneurs Association. "In July of 1965 a fire destroyed about 300 homes and left something like 3,000 people homeless and without possessions." The president of the association and one other member were very active among the small group that took initiative to raise nearly Rs. 8,000 within a few days, to provide clothing for those who had lost everything in the fire. Much of it was raised by going from door to door, so that something like a thousand donors contributed to the total. New clothes were provided quickly for all the victims of the fire. Mr. Lasker felt that this action was part of a growing community consciousness among the members of the Kakinada Entrepreneurs Association, resulting from the ideology of their training. That is, while the achievement motivation development courses had sometimes been criticized for helping "selfish" businessmen to get richer, the ideology of the course had stressed not making money for selfish ends, but investing to develop the community and the nation. Apparently some key members of the courses had caught the idea and felt that the fire, even though it did not represent a personal loss to them, did represent a setback for the community which they should do everything they could to overcome.

### *Mr. Joel Cohen's Visit*

The next evaluation visit was also the result of a happy coincidence, as Mr. Lasker's had been, since by this time the project had no staff either in India or in the United States. On his graduation, Mr. Joel Cohen was awarded a traveling fellowship by Harvard University and decided to take a trip around the world to investigate a variety of research stations primarily dealing with primate social behavior. However, he also wanted an introduction to field research in India and agreed to serve as our emissary to interview the Kakinada participants for the third time and the Vellore participants for the second time. His main task was simply to ask them what progress they had made in their business plans since the last visit, but he also asked a number of questions about the nature and composition of their families, in view of our growing interest in whether family structure could inhibit independent action. He inquired about the persistence of friendships formed during the course, since they

seemed to be a possible source of help and encouragement for a new venture.

He went first to Kakinada where he was warmly received and managed to interview 43 of the 51 course alumni beginning in the last week of December, 1965. He wrote as follows:

Once the entrepreneur is located, the interview takes from one to two hours. The interviews at the place of business take longer because of constant interruptions from customers and visiting friends. The interviews in my room here and at the homes of the entrepreneurs are much more straightforward. Working from 8:30 in the morning to 10:30 or 11:00 at night I have been able so far to manage four or five interviews a day. The secretary of the Kakinada Entrepreneurs Association has been extremely helpful; he shepherded me around on his motor scooter all day yesterday, and has been sending people to my room.

I must admit that I've enjoyed the interviewing immensely. Even though it's sometimes frustrating to try to get to the entrepreneurs, even though it's sometimes a little boring to sit while a long answer is being written out, still I've always wanted just to drop in to a strange town and find out what people are thinking and talking about, what they have been doing and what they want to be doing, how they see themselves and what they think of others. Interviewing these entrepreneurs, and talking with them before and after the interviews, gives me a chance to do just some of these things. It's exhausting, but great fun.

My estimate of the net result or effect of the courses within the last six months in Kakinada in this: for a few individuals, mostly young, the course is a conversion experience; for the first time they thought about goals and action toward the goals; the course had a pervasive and more beneficial effect on their business activity within the last six months and probably will continue its effect in the future. For a much larger group of young to middle-aged men, the course has generated a great deal of talk among themselves about planning; it has also led to several actual site visits to factories which are being considered for purchase; and in a favorable environment may lead to some really considerable business action in the next six months. For another large group of men, the course either had no effect or generated only lip service and an occasional guilt feeling when somebody from Harvard comes around.

Mr. Cohen's summary views are quoted not because they were accurate in particulars, but because they represented the impression an objective visitor would get from visiting the town at this time. He had no strong preconceptions as to the value of the project nor experience

with social-science research. In fact, his major interests were in applied mathematics and music. Nevertheless, he captured very well the pleasure that all visitors felt in visiting these towns and the general sense that something was going on of considerable importance.

Three major historical events were agitating the local community at the time of his visit. First, border disputes with China and Pakistan had aroused a great deal of patriotic sentiment throughout India. In Kakinada, the secretary of the Entrepreneurs Association had organized a rifle club which a number of the entrepreneurs attended regularly to get practice in shooting. There was a feeling of excitement in the air; people felt locally that they wanted to do something to show their solidarity with their country in its confrontation with China and Pakistan. To a certain extent this excitement distracted some of the men from their concern for business expansion.

The second major event was a boycott declared on October 25, 1965, by the Japan Control Association of palmyra fiber importers and dealers against fifteen of the nineteen Kakinada shippers of palmyra fiber to Japan. Cohen writes:

These fifteen shippers were boycotted for shipments which were damaged due to rotting and which were excessively short in weight, both offenses resulting from adding water to the fibre before sending it off. At least two of the trained entrepreneurs are on the list of fifteen. . . . I learned of the boycott from an entrepreneur who is one of their competitors who was elated because his firm was not on the list of those boycotted.

His elation in my opinion is premature. Near the end of its letter, the Association says, "we believe that a strict quality control on your side is absolutely necessary to maintain the market share of palmyra fibres in Japan because, as you probably know, several consumers are already looking for suitable synthetic substitutes of an even running quality."

The local businessmen did know of these dangers. One of them showed Mr. Cohen two brooms in which the bristles were made of plastic.

The bristles are not as stiff as the best palmyra fibre ones, but this seemed to me a meager difference on which to rest one's livelihood. I pointed out that it would probably require at the most another five years of chemical research to produce a plastic with the required stiffness; such a plastic would then be a very serious and probably successful competitor with Indian palmyra fibre. The problem is serious not only for those of our entrepreneurs in the fibre business, but for the whole city: I was told that perhaps

10,000 people are dependent for their livelihood on the industry in one way or another.

The actual news of the third event came my last full day in Kakinada, January 22nd, at the meeting of the Entrepreneurs Association which had been called for me to present impressions of what I had found in my interviews. The attendance was 19. To the surprise of everyone, one of those attending was the local member of the state legislative assembly (MLA). When I began to talk about the possibilities of port expansion to offset the possible palmyra losses, he rose and asked for permission to talk which I was glad to give him. He said he had just talked that morning with the District Port Officer, who had just returned from an all-India official meeting in Calcutta to decide about the development of ports on the East coast of India; it was decided at the meeting, he reported, that since it would cost Rs. 50 crores (1 crore = 10,000,000) to expand the other port to handle the ore flow beyond its present capacity, but would cost only Rs. 32 crores to develop Kakinada to handle the excess, an investment of Rs. 32 crores would be made in developing Kakinada into an all weather mechanical-loading port. Another man had earlier told me that some large amount had already been sanctioned for the purpose of a deep dredger to dredge a channel so that ships could come right into the harbor, and according to the MLA there will be direct loading from the railroad cars to the ocean vessels. The passage of two million tons of ore through the port won't sop up all available labor under this new system as it would under the present inefficient system of hand carrying from the railroad cars to small boats and hand loading from the boats to the big ships. Nevertheless the expansion and increased activity may probably bring increased prosperity to the city as a whole by the "trickle down theory" which may ameliorate the lives of those 10,000 people whose jobs now hang by a plastic thread. One immediate good effect his announcement did have: I had been talking about the wealth of good ideas the entrepreneurs had described to me for new ventures, new industries, new businesses, and how it was now necessary to go ahead and act on those ideas. The MLA then made the point that since the prosperity of Kakinada was now assured, the entrepreneurs could feel confident and could proceed with security. His presence there with that news then was a very lucky coincidence for the entrepreneurs, I think. The meeting ended with a general air of enthusiasm and preparedness for action.

This episode is a good illustration of the fluctuations of high hopes and deep disappointments that accompany economic progress in India. More than a year after this announcement, when Dr. Winter visited

Kakinada in the spring of 1967, most of the entrepreneurs felt that the port changes would be a long time in coming, if they came at all. There was no evidence that work on the port had begun and no certainty that the appropriation for it was either finally approved or planned. Nevertheless, one cannot be sure that the announcement made at the time did not influence individuals to make decisions that they might otherwise have postponed because of general uncertainty about the economic future of the city.

Mr. Cohen interviewed 22 of the 27 men in Vellore but came away with a negative impression as to what was happening there.

As far as I can see, the training courses have had no observable effects here. Most of the entrepreneurs seem to look on the course, in the words of one of them, "as a jolly tour," a chance to see Hyderabad, get away from home, and little more. One man may be an exception, but then he left Vellore. Another intelligent man said there is no place for entrepreneurial behavior in government civil service. There is none of the fighting spirit there was among the Kakinada entrepreneurs; the Vellore Entrepreneurs Association, theoretically in existence, has not had a single business meeting since its foundation; its only meetings have been social dinners for guests or departing members. Of the three committees assigned to chart the course of the association, none have come forward to report.

It began to look as if we might get some clues as to how to increase entrepreneurial behavior by contrasting what was done in Kakinada with what was done in Vellore.

### *The Return Visit of Shri Nadkarni*

After a year at Harvard University, Shri Nadkarni returned briefly to India during the summer of 1966, six months after Mr. Cohen's visit. He arranged to spend a considerable amount of time both in Kakinada and Vellore with Shri Kumar, who had accompanied Mr. Lasker on an earlier visit. He had not seen any of the men for over a year and was curious to find out what the long-term developments in the two cities had been. He did not bring any special new tests or questionnaires with him, but he held large meetings in both towns to explain recent developments in achievement motivation training in the United States, and he interviewed about 80 per cent of the men personally, some of them a number of times. He found that activity was continuing at a fairly high level;