



The Influence of Motivation and Maslow's Hierarchy of Needs Concept in Empowering Entrepreneurial Spirit among the Community in Sabang City

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ABSTRACT (9 PT)

Abstract

This study examines the influence of motivation and Abraham Maslow's hierarchy of needs theory on the entrepreneurial empowerment intentions of the community in Sabang City. Using a quantitative approach, the research analyzes how different levels of human needs—ranging from physiological and safety needs to esteem and self-actualization—shape individuals' desire to start and develop businesses. The findings reveal a significant positive relationship between motivational factors and entrepreneurship development. The fulfillment of basic economic needs, such as income security and financial stability, serves as a primary driver for entrepreneurial engagement. At the same time, higher-level needs, including social recognition and self-actualization, further encourage business growth and sustainability. These results suggest that Maslow's hierarchy of needs provides a relevant theoretical framework for understanding entrepreneurial motivation in the local context. Therefore, entrepreneurs should identify and align their motivations with strategic business goals, while government and related institutions are encouraged to foster a supportive ecosystem through access to capital, training, and policy support to strengthen entrepreneurship development in Sabang City.

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1. INTRODUCTION

Sabang City, located in Aceh Province, continues to experience structural socio-economic challenges, particularly in relation to poverty reduction and sustainable community welfare. Statistical data indicate that the poverty rate in 2021 reached 15.46% of the total population, reflecting persistent economic vulnerability within the region. This condition suggests that conventional poverty alleviation programs may not yet have fully addressed the underlying structural and motivational factors influencing economic participation. Consequently, there is a pressing need for an alternative

and integrative development approach that not only provides material assistance but also strengthens the internal capacity, motivation, and entrepreneurial orientation of the community.

Entrepreneurship has long been recognized as a strategic instrument for stimulating local economic growth, generating employment opportunities, and fostering economic self-reliance(Arshed et al., 2024; Maina, 2014). However, the effectiveness of entrepreneurship-based development depends largely on the psychological readiness, motivation, and perceived needs of the community. In this regard, motivation is not merely an individual psychological construct but a socio-economic driver that shapes initiative, creativity, resilience, and long-term commitment to business activities(Akhtar et al., 2023; Arshed et al., 2024). Without adequate motivational support and alignment with community needs, entrepreneurial programs risk becoming unsustainable or ineffective.

A theoretical framework that provides a comprehensive understanding of human motivation is the hierarchy of needs proposed by Abraham Maslow. Maslow conceptualized human needs as a structured hierarchy consisting of physiological needs, safety needs, social belonging, esteem, and self-actualization. According to this model, individuals tend to prioritize the fulfillment of lower-level needs before pursuing higher-level aspirations(Abdulai & Hussain, 2024; Abdulla et al., 2024). In the context of economic development, this framework offers valuable insight into how unmet basic needs may limit entrepreneurial engagement, while fulfillment of these needs may stimulate individuals to pursue economic independence and innovation.

Applying Maslow's hierarchy within entrepreneurial development strategies enables policymakers and stakeholders to identify the specific levels of needs that remain dominant within the community(Abdulai & Hussain, 2024; Ncanywa et al., 2025). For instance, communities struggling to meet physiological and safety needs may prioritize income stability and risk minimization over innovation and expansion. Conversely, individuals whose basic needs are relatively secured may be more inclined to seek esteem and self-actualization through entrepreneurial achievement, business leadership, and creative ventures(Ajani, 2024; Azzahra, 2024). Therefore, understanding the hierarchical structure of needs becomes essential for designing entrepreneurship empowerment programs that are context-sensitive, inclusive, and sustainable. Moreover, entrepreneurship in Sabang City should be framed within a local economic development perspective that emphasizes the optimization of regional potential. Rural and coastal communities often possess unique socio-cultural and natural resources that can serve as competitive advantages when strategically managed. Local-based entrepreneurship not only contributes to economic diversification but also strengthens community identity and social cohesion. However, the success of such initiatives depends on the alignment between external development interventions and the internal motivational structure of the community(Arshed et al., 2024; Maina, 2014).

From a policy standpoint, integrating motivation theory and the hierarchy of needs into economic development planning can enhance the effectiveness of poverty reduction strategies. Instead of focusing solely on financial capital or infrastructure provision, development efforts should incorporate psychological empowerment, skills enhancement, and confidence-building measures. By fostering intrinsic motivation and addressing hierarchical needs progressively, entrepreneurship can evolve from subsistence-level activities into sustainable, growth-oriented enterprises. In addition, the entrepreneurial spirit is closely associated with self-efficacy, achievement orientation, and long-term vision. These psychological attributes are influenced by both internal motivational forces and external socio-economic conditions(Beck & Demirguc-Kunt, 2006; Boschma, 2015; Etzkowitz & Leydesdorff, 2000). Therefore, analyzing the interaction between motivation and hierarchical needs within the specific socio-cultural context of Sabang City is crucial to understanding how entrepreneurial empowerment can be effectively promoted. Such analysis provides empirical and theoretical contributions to the broader discourse on entrepreneurship-driven poverty alleviation in developing regions(Boschma, 2015).

Based on these considerations, this study aims to analyze the influence of motivation and Maslow's hierarchy of needs on empowering the entrepreneurial spirit of the community in Sabang City as a strategic approach to poverty reduction and sustainable welfare development. By examining the interrelationship between motivational dynamics and hierarchical needs fulfillment, this research seeks to offer a comprehensive framework for designing entrepreneurship-based development



policies that are adaptive, inclusive, and capable of generating long-term socio-economic transformation.

2. RESEARCH METHOD

This study was conducted in Sabang City, with the research object focusing on the influence of motivation and Maslow's hierarchy of needs concept, as proposed by Abraham Maslow, in empowering the entrepreneurial spirit of the community. Data collection was carried out through a comprehensive literature review and field inquiry. Secondary data were obtained from various credible sources, including academic journals, scholarly books, institutional reports, official publications from relevant government agencies, and statistical data from Badan Pusat Statistik (BPS). Primary data were collected through in-depth interviews with selected informants considered competent and knowledgeable regarding the business climate and economic conditions of Sabang City, as well as other relevant stakeholders. The operational variables in this study consist of exogenous and endogenous variables, where the exogenous variables include motivation (X1) and Maslow's hierarchy of needs concept (X2), while the endogenous variable is the empowerment of entrepreneurial spirit (Y). The data analysis technique employed in this research is grounded in logical and analytical reasoning supported by relevant theoretical perspectives and literature, emphasizing contextual interpretation based on the actual socio-economic conditions of the community in Sabang City.

3. RESULTS AND DISCUSSIONS

3.1 Motivation and the Empowerment of Community Entrepreneurial Spirit in Sabang City

Within the framework of Local Economic Development (LED), empowering strategic commodities that possess added value and strong profitability constitutes an effective strategy for strengthening the economic structure of Sabang City. As a region characterized by tourism potential, marine resources, and distinctive local products, Sabang holds comparative and competitive advantages that can be transformed into sustainable entrepreneurial opportunities (Mulyono et al., n.d.; Suwandi et al., 2024). By optimizing local potential and developing market-oriented products—both for domestic and international markets—the community can enhance income generation, employment absorption, and overall quality of life. Entrepreneurship, therefore, functions not only as an income-generating mechanism but also as a driver of structural economic transformation (Haji et al., 2022; Mulyono et al., n.d.). Entrepreneurial motivation among the people of Sabang City can be strengthened through several integrated strategies. First, the development of strategic commodities with significant added value encourages business actors to move beyond subsistence production toward value creation and differentiation. Second, improving the quality of human resources through education, training, and skills development enhances managerial capacity, innovation capability, and competitiveness (Jiwa Kewirausahaan et al., 2026; Makanung, 2025). Third, the development of supporting infrastructure—including transportation, digital connectivity, financial access, and tourism facilities—creates an enabling environment for business growth. Fourth, collaboration among government institutions, the private sector, and the community fosters synergy in capital access, mentoring, and market expansion. Fifth, effective promotion and marketing of local products—particularly through digital platforms and tourism branding—expand market reach and strengthen product positioning. Through these measures, LED can serve as a primary catalyst for economic growth and community welfare improvement in Sabang City. The concept of leading commodities emphasizes the importance of identifying and developing products that possess strategic value within a region. A superior commodity is characterized by uniqueness, competitiveness, and sustainability. From a marketing perspective, product competitiveness is influenced by several components, including product variety, quality, design, features, brand identity, packaging, size options, services, warranties, and return policies.

These elements collectively determine consumer perception and purchasing decisions. In the case of Sabang City, the influx of tourists provides empirical evidence that local goods and services already demonstrate competitive appeal. Visitors frequently purchase distinctive local souvenirs and services, indicating that the region's entrepreneurial products contribute directly to local economic circulation. This dynamic confirms that goods and services produced by local entrepreneurs play a significant role in stimulating economic activity and reinforcing the city's economic resilience(Guo & Zheng, 2019; Zhang et al., 2021). In the broader entrepreneurial context, motivation is closely linked to the ability of individuals to fulfill their hierarchical needs through business activities. Community members in Sabang can meet their physiological and safety needs through stable income derived from entrepreneurial ventures. Social needs are fulfilled through participation in business networks, cooperatives, and community-based enterprises. Esteem needs are addressed when entrepreneurs gain recognition, reputation, and social status through business success. Finally, self-actualization is achieved when individuals are able to express creativity, innovation, and personal growth through sustained entrepreneurial engagement. Thus, entrepreneurial empowerment becomes a multidimensional process encompassing economic, social, and psychological advancement

4.2 The Influence of Maslow's Hierarchy of Needs on Empowering the Entrepreneurial Spirit of the Community in Sabang City

Population growth in Sabang City reflects increasing socio-economic dynamics that require responsive development strategies. Based on recent population census data, the total population reached 28,597 inhabitants in 2024, showing an average annual growth rate of approximately 1.23 percent during the 2020–2024 period. This demographic trend implies rising demand for employment opportunities, income sources, and economic diversification. In this context, entrepreneurship becomes an essential mechanism for absorbing labor, reducing dependency, and fostering inclusive growth. Community empowerment, however, must follow systematic stages to achieve sustainable outcomes. The empowerment framework generally involves three main stages: awareness-building, capacity-building, and empowerment or granting of authority. In the awareness stage, individuals are encouraged to recognize their inherent potential and economic opportunities within their environment(Gupta, 2019; Gupta et al., 2020; Hölscher et al., 2024). In the capacity-building stage, communities are equipped with knowledge, technical skills, organizational strengthening, and value system development. Finally, in the empowerment stage, individuals are provided with access to resources, authority, and opportunities to achieve independence and economic sustainability. These stages ensure that empowerment is not merely symbolic but transformative.

The hierarchy of needs theory developed by Abraham Maslow provides a relevant psychological foundation for understanding entrepreneurial empowerment(Laforteza & Sanesi, 2019; McEvoy et al., 2023; Wickenberg, 2023). According to Maslow, human motivation progresses from basic physiological needs to safety, social belonging, esteem, and ultimately self-actualization. In Sabang City, many individuals may initially engage in entrepreneurship to fulfill basic needs such as food security, shelter, and financial stability. As these needs become relatively secured, motivation shifts toward achieving social recognition, professional reputation, and personal fulfillment through business achievement(Bradley & Mahmoud, 2024; Cummings et al., 2017;. Entrepreneurship is widely recognized as a key determinant of economic development. Entrepreneurs generate employment, stimulate innovation, enhance productivity, and contribute to regional income(Acevedo, 2018; Della Lucia et al., 2025).

However, sustainable entrepreneurial success requires strong internal motivation. Basic needs and the aspiration for welfare often serve as primary motivational drivers. The need for economic security motivates individuals to initiate business ventures, while the desire for improved living standards encourages business expansion and innovation. Therefore, the integration of Maslow's hierarchy into entrepreneurial development strategies enables policymakers to design programs that address both material and psychological dimensions of empowerment. In the context



of Sabang City, fulfilling hierarchical needs through entrepreneurial activities creates a reinforcing cycle of empowerment. Economic independence enhances self-confidence, social recognition strengthens community cohesion, and innovation fosters long-term competitiveness. Consequently, understanding and applying Maslow's hierarchy of needs in local development planning provides a comprehensive framework for cultivating entrepreneurial spirit and achieving sustainable welfare improvement.

4. CONCLUSION

This study examines how motivation and the hierarchy of needs theory developed by Abraham Maslow influence the willingness of the people of Sabang City to empower and expand entrepreneurial activities, and the findings indicate a highly significant effect. The results demonstrate that the hierarchy of human needs provides a strong theoretical foundation for understanding entrepreneurial motivation, as basic needs and the aspiration for improved welfare serve as primary drivers for individuals to initiate and develop business ventures. When physiological and security needs are pressing, entrepreneurship becomes a means of survival and income generation; as these needs are progressively fulfilled, motivation evolves toward achieving social recognition, esteem, and ultimately self-actualization through business success and innovation. By understanding entrepreneurial motivation and formulating strategies that align with the fulfillment of these hierarchical needs, entrepreneurs can enhance their performance, strengthen business sustainability, and contribute to the broader development of entrepreneurship within the region. Based on these findings, it is recommended that entrepreneurs cultivate self-awareness regarding their motivational drivers and design strategic plans that address both economic and psychological dimensions of growth. Furthermore, government institutions and related stakeholders should establish a supportive ecosystem that facilitates business development, access to capital, infrastructure improvement, and capacity building to enhance entrepreneurial welfare. For the community of Sabang City in particular, long-term and sustainable entrepreneurship education and training programs are essential to ensure that individuals are equipped with the knowledge, skills, and strategic insight necessary to fulfill their basic needs, improve their standard of living, and foster continuous entrepreneurial development.

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