

Role of Entrepreneurial Self Efficacy: A Cross Cultural Study on Management of Business Administration (MBA) Students

Prof. Parui Santu Pradyut

Ramsheth Thakur College of Commerce and Science

ABSTRACT

This study explores the association between transformational leadership and organizational effectiveness, measured in terms of job satisfaction, commitments. Entrepreneurial self-efficacy is a construct that measures a person's belief in their own abilities to perform on the various skill requirements necessary to pursue a new venture opportunity. Self-efficacy refers to a judgment of one's capability to accomplish a certain level of performance or desired outcomes

Specifically, if one has a high level of self-efficacy, he or she is more likely to set a higher or challenging goal, which in turn raises the level of motivation and performance attainments. A high level of self-efficacy can help individuals maintain their efforts until their initial goals are met. The findings reveal that transformational leadership has a direct positive & significant relationship with organization.

Keywords: Entrepreneurial\ performance\ common skills\ Interpersonal\ networking management skills\ Innovation

INTRODUCTION

Entrepreneurial self-efficacy is a construct that measures a person's belief in their own abilities to perform on the various skill requirements necessary to pursue a new venture opportunity. Due to there is differentiation between entrepreneurs and non-entrepreneurs (Chen, et al., 1998; Golden & Cooke, 1998).

Self-efficacy refers to a judgment of one's capability to accomplish a certain level of performance or desired outcomes (Bandura, 1986). According to Bandura (1986), individuals gradually accumulate their self-efficacy through prior cognitive, social, and physical experiences (Gist, 1987). As such, prior successful enactment of a task can change one's expectations and help further reinforce his or her self-efficacy. Bandura (1990) argued that self-efficacy affects an individual's thought patterns that can enhance or undermine performance. Specifically, if one has a high level of self-efficacy, he or she is more likely to set a higher or challenging goal, which in turn raises the level of motivation and performance attainments. A high level of self-efficacy can help individuals maintain their efforts until their initial goals are met (Gist, 1987).

LITERATURE REVIEW

Self-efficacy has a number of practical and theoretical implications for entrepreneurial success because initiating a new venture requires unique skills and mind sets, which may be far different from those, one of the strongest barriers that an entrepreneur has to overcome is the anxiety about his or her success throughout the initial startup process. By definition, an entrepreneur with a high level of self-efficacy, who truly believes in his or her capability to execute all of the requirements to perform a task successfully, is more likely to see the positive potential outcomes that might accrue from a new venture. As a result, the entrepreneur may sustain more effort through the entrepreneurial process to achieve these positive outcomes. Stajkovic and Luthans (1998) found a significant weighted average correlation between self-efficacy and work-related performance. ESE has generally focused on one's belief in their ability to take entrepreneurial actions based on their assessment of the managerial, functional (e.g., marketing, financial, accounting), and technical skills that they possess.

As per Chen, et al. (1998) used a sample of students and small business executives and measure their marketing, innovation, management, risk-taking, and financial control skills. Cognitive capabilities appear to be more important components of ESE than assessments of one's technical, functional, or managerial skills. Therefore, it is our contention that the existing literature has been too narrowly focused on managerial, technical, or functional skills as opposed to specific skills that comprise the entrepreneurial startup experience. Miner (1990) found that the entrepreneur and manager possess different motivations. The entrepreneur is more task-motivated while the manager is more hierarchically motivated.

The role of the entrepreneur is driven by five motive patterns summarized as follows:

- 1) Desire to achieve through one's own efforts,
- 2) Maintain personal control over outcomes by avoiding risk and leaving little to chance, 3) obtaining feedback on the level of results of one's performance,
- 3) Desire to introduce innovations, and
- 4) Desire to think about the future. By incorporating these motive patterns in the development of an ESE measure, we might improve the discrimination between entrepreneurs and managers.

Newman et al.(2019) summarized key measures of entrepreneurial self-efficacy in Journal of Vocational Behavior 110 (2019) 403–419407 as following:

Theory	Particulars
Chen et al (1998)	Marketing, Innovation ,Management, Risk-taking
DeNobel et al (1999)	Financial control, Developing new product and market opportunities, Building an innovative environment, Initiating investor relationships , Defining core purpose ,Coping with unexpected challenges ,Developing critical human resources
Zaho et al (2005), McGee et al (2009)	Planning, Marshalling Implementing people Implementing finance
Barbosa et al (2007)	Opportunity identification, Relationship, Managerial Tolerance
Baraket et al (2014)	Innovation Financial, Value Teamwork, Product development, Start-up processes, Leadership Creativity

Hence we can summaries above particulars in following categories:

Risk and uncertainty management skills, Innovation and product development skills, Interpersonal and networking management skills, Opportunity recognition, Procurement and Allocation of critical resources

OBJECTIVES

1. To know the unique skills that entrepreneurs believe they must possess during the startup phase of their new venture.
2. To study entrepreneurial self efficacy on these skills lead to entrepreneurial intentions.
3. To investigate entrepreneurial intentions lead to entrepreneurial actions.
4. To study academic cross cultural differences for entrepreneurial self efficacy among management students.

NULL HYPOTHESES

H₀₁:- There are no common skills that an entrepreneur possesses during startup phase.

H₀₂:- Academic cross cultural environment is independent to entrepreneurial self efficacy.

RESEARCH METHODOLOGY

- Research Methodology presents the methods and procedures used to explore and investigate Entrepreneurial Self Efficacy.

- The study is based on both Primary & Secondary Data. The possible insight into study was investigated with the help of Primary data and Secondary data.
- The research methodology which is presented below specifies the method & procedures for the collection of data, sample selection, measurement and analysis of data. Various websites and books, various research journals, the articles written by eminent authors, etc.

SAMPLING DESIGN

The study is based on both Primary & Secondary Data.

Three different universities' Management students (UG & PG) would be considering for this study. Mumbai University (State University), Amity University (Private University) and D Y Patil University (Deemed to be University) have been taken to study cross cultural entrepreneurial self efficacy.

Therefore, for data collection 3 university students would be considered. As Mumbai university is very vast so one college as representative would be selected. Quota sampling will be used. The close ended Questionnaires will be implemented for data collection.

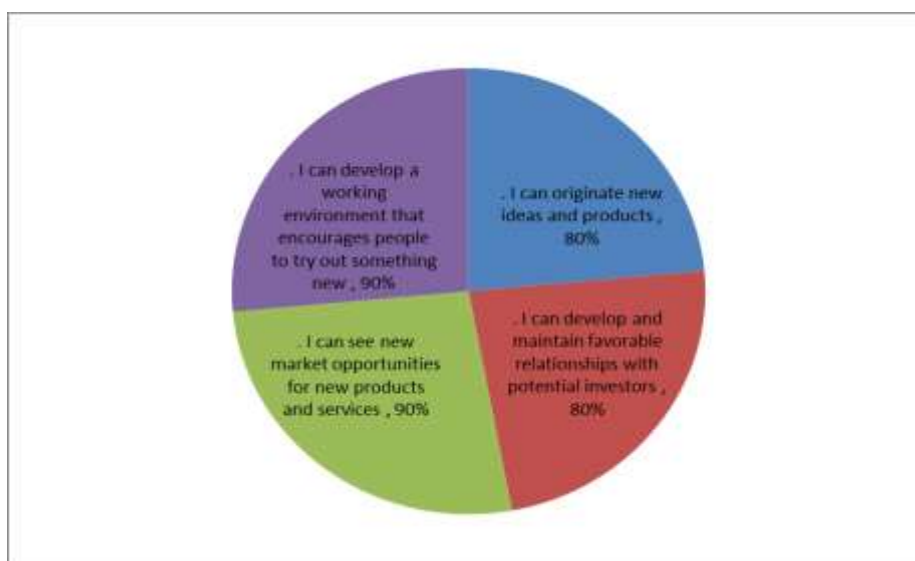
SAMPLE SIZE: 100

Quota has been fixed for 100 (50 No.s from UG and 50 No.s from PG) from each university.

STATISTICAL TOOLS USED FOR DATA ANALYSIS:-

Firstly data would be fed in Excel then data analyses will do. In this study Data analysis will be represented by bar chart and Pie Chart. Further to check significance difference among students for requirements of certain skills to start a startup "t" test will be used. To check independency of cross cultural environment and entrepreneurial self efficacy "Chi square" test will be used.

DATA ANALYSIS

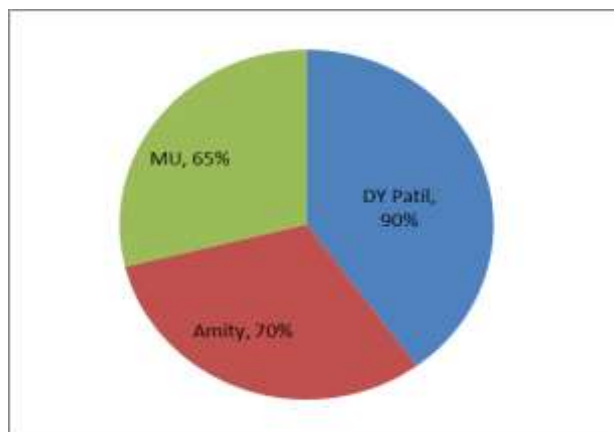


Above are the most preferred responses.

So we can say there are common skills that an entrepreneur possesses during startup phase, hence, Hypothesis H₀₁ rejected

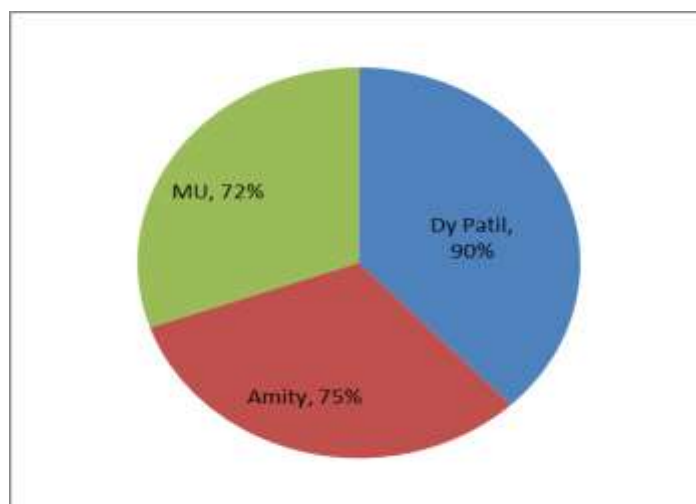
1. "How likely it is that you are going to start your own business in the next five years?"

Likely or extremely likely - DY Patil- 90%, Amity- 70%, MU- 65% of own sample size
Dislike or extremely dislike - 15% response No response- 05%



2. “In the last 3 months, how likely on average did you spend on activities related to start up your own business in a week?”

Likely or extremely likely - DY Patil- 90%, Amity- 75%, MU- 72% of own sample size
Dislike or extremely dislike - 07% No response- 03%



So, we can say that Academic cross cultural environment is dependent to entrepreneurial self-efficacy.
Hence, H_{02} rejected

CONCLUSION

As per the research, we can conclude that entrepreneurs possess some common skills.

We can also say that Academic cross-cultural environment is dependent to entrepreneurial self-efficacy.

Questionnaire

A. Demographic Profile:-

1. Name:-.....
2. Age :- _____
3. Gender:- [M] [F]
4. Educational Qualification:-
[Under Graduate] [Graduate]

5. **Annual Family Income:-** _____

6. **Family Size:-**

[Single] [2 members] [3 members] [4 members] [5 members]

[Above 5 members]

7. **Family Type:-** [Joint] [Individual]

8. **Area of Residence:-**.....

B. Please mention degree of agreement according to the statement “How capable do you believe you are in performing each of the following tasks?”:-

S.Disagree-1	Disagree-2	Neutral-3	Agree-4	S.Agree-5
--------------	------------	-----------	---------	-----------

1. I can work productively under continuous stress, pressure and conflict
2. I can originate new ideas and products
3. I can develop and maintain favorable relationships with potential investors
4. I can see new market opportunities for new products and services
5. I can recruit and train key employees
6. I can develop a working environment that encourages people to try out something new

C. Please choose Extremely Unlikely (1) to Extremely Likely (5) for the following questions

Extremely Unlikely- 1	Unlikely- 2	Neutral- 3	Likely- 4	Extremely Likely- 5
-----------------------------	----------------	---------------	--------------	---------------------------

1. “How likely it is that you are going to start your own business in the next five years?”
2. “In the last 3 months, how much time on average did you spend on activities related to start up your own business in a week?”

D. Please mention 0-10 marks for the following required skills for an entrepreneur;

1. Risk and uncertainty management skills,
2. Innovation and product development skills,
3. Interpersonal and networking management skills,
4. Opportunity recognition,
5. Procurement
6. Allocation of critical resources

REFERENCES

- Ahmed, S.U., (1985). “nAch, risk taking propensity, locus of control and entrepreneurship.” *Personality and Individual Differences*, 6, 781–782.
- Bandura, A. (1995). Exercise of personal and collective efficacy in changing societies. In A. Bandura (Ed.), *Self-efficacy in changing societies*, NY: Cambridge University Press.
- Bandura, A. (1990). “Perceived self-efficacy in the exercise of personal agency.” *Applied Sport Psychology*, 2, 128–163.
- Bandura, A. (1986). *The social foundations of thought and actions*. NJ: Prentice-Hall.

- Begley, T.M., & D.P. Boyd. (1987). "Psychological characteristics associated with performance in entrepreneurial firms and smaller businesses." *Journal of Business Venturing*, 2, 79–93.
- Bentler, P.M. (1990). "Comparative fit indices in structural models." *Psychological Bulletin*, 107, 238–246.
- Bobko, P. (1990). "Multivariate correlational analysis." In M.D. Dunnette & L.M.
- Hough (Eds.), *Handbook of industrial and organizational psychology*, (pp. 637–686). Palo Alto, CA: Consulting Psychologists Press.
- Bollen, K.A. (1989). *Structural equations with latent variables*. NY: Wiley.
- Boyd, N.G., & G.S. Vozikis. (1994). "The influences of self-efficacy on the development of entrepreneurial intentions and actions." *Entrepreneurial Theory and Practice*, 18, 63–90.
- Byrne, B.M. (1989). *A primer of LISREL*. NY: Springer-Verlag.
- Chandler, G., & E. Jensen. (1992). "The founder's self-assessed competence and venture performance." *Journal of Business Venturing*, 7, 223–236.
- Chen, C.C., P.G. Greene, & A. Crick. (1998). "Does Entrepreneurial self-efficacy distinguish entrepreneurs from managers?" *Journal of Business Venturing*, 13, 295–316.
- Eggers, J.H., K.T. Leahy, & N.C. Churchill. (1994). "Entrepreneurial leadership and the development of small businesses." Paper presented at the 14th Annual Entrepreneurial Research Conference, Wellesley, MA.
- Ehrlich, S.B., A.F. De Noble, T. Moore & R.R. Weaver. (1994). "After the cash arrives: a comparative study of venture capital and private investor involvement in entrepreneurial firms." *Journal of Business Venturing*, 9, 67–82.
- Gartner, W., (1989). "Some suggestions for research on entrepreneurial traits and characteristics." *Entrepreneurship Theory and Practice*, Fall, 27–37.
- Gist, M. (1987). "Self-efficacy: Implications for organizational behavior and human resource management." *Academy of Management Journal*, 12, 472–485.
- Golden, P.A., & D.K. Cooke. (1998). "Entrepreneurial self-efficacy: Some antecedents and outcomes." Paper presented at the National Academy of Management meeting, San Diego, CA.
- Joreskog, K.G., & D. Sorbom. (1989). *LISREL 7: User's reference guide*. Mooresville, IN: Scientific Software International, Inc.
- Kenny, D.A., & D.A. Kashy. (1992). "Analysis of multi trait–multi method matrix by confirmatory factor analysis." *Psychological Bulletin*, 112, 165–172.
- Kim, M., & J. Hunter, (1993). "Relationships among attitudes, intentions and behavior." *Communication Research*, 20, 331–364.
- Krueger, N.F., M.D. Reilly, & A.L. Carsrud. (Forthcoming). "Competing models of entrepreneurial intentions." *Journal of Business Venturing*.
- Krueger, N.F. (1999). "The cognitive infrastructure of opportunity emergence." *Working paper*, National Council of Independent Scholars, Bozeman, MT.
- Krueger, N.F., & D. Brazeal. (1994). "Entrepreneurial potential and potential entrepreneurs." *Entrepreneurship Theory and Practice*, Spring, 91–104.

- Lumpkin, G.T., & B. Erdogan. (1999). "If not entrepreneurship, can psychological characteristics predict entrepreneurial orientation?—A pilot study." Working paper, University of Illinois at Chicago, Chicago, IL.
- Lumpkin, G.T., & G.G. Dess. (1996). "Clarifying the entrepreneurial orientation construct and linking it to performance." *Academy of Management Review*, 21, 135–172.
- Miner, J.B., (1990). "Entrepreneurs, high growth entrepreneurs, and managers: Contrasting and overlapping motivational patterns." *Journal of Business Venturing*, 5, 221–234.
- Miner, J.B., N.R. Smith, & J.S. Bracker. (1989). "Role of entrepreneurial task motivation in the growth of technologically innovative firms." *Journal of Applied Psychology*, 74, 554–560.
- Nunnally, J.C., (1978). *Psychometric Theory*. NY: McGraw-Hill.
- Robinson, P., D. Stimpson, J. Huefner, & H. Hunt. (1991). "An attitude approach to the prediction of entrepreneurship." *Entrepreneurship Theory and Practice*, Summer, 13–31.
- Sandberg, W.R. & C.W. Hofer. (1987). "Improving new venture performance: The role of strategy, industry structure, and the entrepreneur." *Journal of Business Venturing*, 2, 5–28.
- Stajkovic, A.D., & F. Luthans. (1998). "Self-efficacy and work-related performance: A meta-analysis." *Psychological Bulletin*, 124, 240–261.