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Designing Pattern of Entrepreneurial Self-Efficacy on Entrepreneurial Intention

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Abstract: Entrepreneurship is important because it leads to increased economic efficiencies, brings innovation to market, creates new jobs, and sustains employment levels. The purpose of this study is to present new pattern of self-efficacy on entrepreneurial intention. The authors review theoretical background and conclude about basic model, after that categorize literature review and then interview with 7 entrepreneurs. Finally, we represent components and criteria in 4 categories that are: skills, personal experiences of others, verbal persuasion through knowledge, physiological arousal and emotional dimensions.

Keywords: *Entrepreneurial Self-Efficacy (ESE), Entrepreneurial Intention (EI)*

1. Introduction

Self-efficacy explains a central approach of personal agency. It is thought to influence not only one's grade of effort and persistence on a specific function but also one's very choice of behavioral settings. High self-efficacy expectations showing performance in a specific behavioral setting lead individuals to approach that setting, whereas low self-efficacy expectations lead individuals to avoid that setting (Stajkovic and Luthans, 1998). According to Chen et al. (1998) found support for a positive relationship between entrepreneurial self-efficacy and entrepreneurial intentions with a sample of business and psychology students. In this study, 140 undergraduate students, it was found that there was a positive and significant relationship between ESE perception including entrepreneurial skills such as marketing, innovation, management and financial control, risk taking, and entrepreneurial intention. The researchers argued that ones with higher self-efficacy evaluated the entrepreneurial opportunities better and could be able to see positive outcomes (Chen et al. 1998). Similarly, it was reported that self-evaluation capability had direct effects on launching a venture (Chandler and Hanks, 1994). In a study performed on 272 students, it was indicated that there was a significant and positive relationship between ESE perception, including risk and uncertainty management, innovation and product improvement, interpersonal relations and network management, opportunity recognition, finding resources, developing and maintaining the innovative business environment and entrepreneurial intention (De Noble et al. 1999). Again Jung et al. used the questionnaire developed by De Noble et al. (1999) and reached comparable results within a study on 379 students in the U.S and 351 students in the South Korea (Wood and Bandura, 1989). Although this research is a replication of that earlier finding, we note the value of designing a pattern in which self-efficacy is the theoretical influence on entrepreneurial intentions.

2. Literature Review

The definition and importance of Entrepreneurial Self-Efficacy: Self-efficacy goes beyond the traditional motivational approaches and in itself provides an eclectic extension of these approaches and could, based on its predictive power and demonstrated strong relationship with work performance (Stajkovic & Luthans, 1998). Self-efficacy defines to individuals' astute belief in their own potency to bring about hoped-for results in the performance of a peculiar function (Bandura, 1997). Self-efficacy is a momentous determinant of people comportment. Figures tend to balk tasks about which they have underneath self-efficacy and, conversely, are drawn toward missions about which they have high self-efficacy. In addition, human being with great self-efficacy tend to fulfill better on tasks about which they support those beliefs and less well on tasks about which they believe they have low self-efficacy. For example, self-efficacy has been shown to be communicating with an uppermost level of concentration and with the more efficient use of perception improvisation in the act of several tasks (Bandura, 1997). From an affective standpoint, high self-efficacy is associated with feelings of serenity and mastery in the performance of complex tasks, whereas low self-efficacy can engender stress, depression, and anxiety (Kim and Hunter, 1993). These behaviors and affective elucidate can, in turn, affect fulfillment. Thus, individuals' self-efficacy beliefs can be useful in understanding and predicting their behavior and task

performance. In addition, individuals with a powerful percipience of self-efficacy in a given domain are likely to approach difficult problems in that domain with persistence and are less likely to be deterred by high levels of complexity or difficulty (Grundstén, 2004). Understanding ESE is important, because it can affect individuals' willingness to engage in entrepreneurship as well as the behavior of those who are already entrepreneurs. ESE affects potential entrepreneurs, because individuals' intentions to found new businesses are a function of the extent to which they perceive that it is both feasible and desirable for them to do so (Krueger and Dickson, 1993).

The belief in one's own ability to function effectively as an entrepreneur is a key component of perceiving that entrepreneurship is feasible. ESE can influence the formation of entrepreneurial intentions in this way among persons who have never before started a business as well as among existing or past entrepreneurs who is ESE can influence their willingness to become repeat or "serial" entrepreneurs in the future. In addition, ESE can influence how well existing entrepreneurs discharge their responsibilities as managers of new ventures. The behaviors to which ESE corresponds are largely concerned with new-venture management and, as such, are required of entrepreneurs well beyond the point of founding. Because many entrepreneurs continue to manage their ventures long after the initial founding event (Shapero, 1982), entrepreneurs' perceptions and beliefs can influence the actions that they undertake in the course of managing their ventures and, ultimately, can influence new-venture performance (Hsu and Chiu, 2004). Individuals with high levels of ESE, for example, are more likely to exhibit persistence and concentration, behaviors that are likely to enhance new-venture performance. By contrast, low levels of sell-efficacy are associated with performance-inhibiting behaviors, such as indecision, distraction, and procrastination, in the performance of various tasks (Kaish and Gilad, 1991). Neal (1999) found that individuals with high levels of a form of decision-making self-efficacy were better able to recognize opportunities as well. White et al (2004) reports that if the structure of self-efficacy is to be predictive, it must be "tailored to [the] domain(s) of functioning being analyzed and reflect the various task demands within that domain". The domain of functioning with which this research is concerned is that of new-venture management. It would be erroneous to apply a sell-efficacy construct that is too general to capture the tasks that are representative of this domain. However, because new-venture management is inherently complex, the construct must also capture a range of tasks that are relevant to that domain of activity.

Entrepreneurial Intentions: Intentionality is important, as intentions, by definition, are the proximal cognitive state that is temporally and causally prior to the intended behavior. That is, there may well be moderating influences that intervene between intent and behavior, but no variable mediates that linkage. Moreover, any planned behavior (versus stimulus-response) is inherently intentional. Interest in intentions toward some target behavior has long been a subject of study in many domains from philosophy to marketing to rural sociology to political science to careers (Orford et al., 2003). What has been striking is that as different fields conceptualized and tested formal models of intentions, the models demonstrated a remarkable convergence. Intention represents the degree of commitment toward some future target behavior. One of these models is the Shapero's entrepreneurial event model (SEE) in which entrepreneurial intentions depend on three elements: a) the perception of the desirability; b) the propensity to act; and c) the perception of feasibility (Shapero, 1982). Shapiro So Is Are To That Typical Inertia Or Inertia Behavior The Human The guidance are, the upto time that events this inertia the on both zand and creation transformation. this transformationof ten negative is as of hand give job and or divorce, but are can positive both are as inheritance remove and or winner be at fortune trial. time that individual decision receiver to follow searchand find best opportun ity at between switch the available is transformation cause acceleration change at behavior individual will was. In entrepreneurship, there had been much discussion of "budding" entrepreneurs without much theoretical or empirical analysis of the construct, though Shapero (1982) made a powerful case to look at the social and cognitive psychological drivers of entrepreneurial action, Shapero argued that the "entrepreneurial event" was driven by the decision maker perceiving a credible opportunity, having some sort of propensity to act on credible opportunities and some sort of precipitating event that moderates the linkage between an actionable opportunity.

In this model, the model of planned behavior` Ajzen (1991) that will be introduced in, the external effects do not impact directly on intention or behavior, but also by affecting the perception of the individual - a person's position on the desirability and feasibility serve. Research on people's perceptions about the feasibility, desirability and willingness to act had been done, proving that these factors play a major role in trying individuals for entrepreneurial activities, and understand the feasibility; most statistics are

allocated to that (Van Vianen, 2000). Another well-recognized model is based on Ajzen's theory of planned behavior (Ajzen, 1991). According to Ajzen, intentions are explained by: a) subject's attitudes toward the behavior; b) subjective norms; and c) the subject's perception of behavioral control. The single most dominant model of intentions is Ajzen's Theory of Planned Behavior (1991) which grew out of Ajzen's Theory of Reasoned Behavior. On the other hand, the research by Krueger and colleagues in 2000 to test both models were Ajzen and Shapiro, the results certainly support Shapiro's model, however, seemed inclined to subjective norm was introduced in the model Ajzen, not very responsive to measure entrepreneurial intention. Subjective norm may be important only in the groups that traditionally have turned to entrepreneurship, and may be cultural differences in the importance of subjective norm for economic activities play a role. For example, in a certain race or culture, the importance of subjective norm is higher than other groups (Hemmasi and Hoelscher, 2005). It also appears internal locus of control can reduce their effect on subjective norm (Gartner, 1989). Interestingly, again it is striking to see that when other domains developed formal models of intent, the same variables tend to surface. As such, it would not be oversimplifying to argue that Ajzen's TPB dominates and any other variables are only "bells and whistles" such as Klasen (2002) has found Nor would it be much of an overstatement that TPB has not seen a serious challenge.

Another model of intentions was developed by Kim & Hunter, (1993) which considers that entrepreneurial intentions are based on a combination of both personal and contextual factors. Further development of the Bird's model was made by Douglas and Shepherd (2002) to include the concept of self-efficacy taken from the social learning theory. Another model was proposed by Chen et al (2001), which suggested that entrepreneurial intentions can be influenced by: a) conviction, defined by general attitudes (change, compete, money, achievement, and autonomy) and domain attitudes (payoff, societal contribution and know how); conviction, in turn, is related to personal variables including age, gender, education, vicarious experience and radical change experience. According to the model presented by Brandstatter (1997) understand subjective norm does not play a direct role in explaining the entrepreneurial intentions, but more indirect role on the entrepreneurial intention. This result was confirmed for both cultures, Spanish and Taiwanese. It can be argued that subjective norm rather than the direct impact on entrepreneurial intentions to play, through personal influence and perceived behavioral control, it is impressive. They decided that when people feel this way about being an entrepreneur is confirmed by the reference population, this option will show more interest (personal vision) and a greater ability to perform successfully the feel. The results of this study show that the model presented by Boyd and Vozikis (1994) and can be used in different countries with different cultures. In fact, the individualism - collectivism culture can influence the subjective norm will affect the model. Also, people believe in a culture of entrepreneurship, was different, the intensity of the motivational factors influencing entrepreneurship (especially personal attitudes and perceived behavioral control) in different communities with different cultures. In other words, the results of this study has shown that the relative importance of each of the factors that shape entrepreneurial intentions are different in different cultures, but researchers believe that this study intends to continue operating through three motivational subjective norm, attitude and personal perceived behavioral control is formed. However, while the robustness of the formal intentions model has made it highly useful (regardless of which incarnation) for researchers, that very robustness has made the model border on being sacrosanct. That is, even if two people arrive at exactly the same intentions, they might reach those identical intentions through completely different pathways. Intention here refers to the specific target behavior of business expansion. This goal behavior is, by definition, planned. Respondents were asked how likely that they would grow or expand in the next five years, and their existing and future expansion strategies, such as expanding the products or services, expanding to different markets, buying or selling franchises, etc.

3. Methodology

Focal group method was used for identifying the entrepreneurial self-efficacy factors affecting entrepreneurial intention. Focal group is a qualitative method, which is used for negotiation designed according to an accurate program to investigate the thoughts of the interviewees in an environment without pressure and threat and leads to a precise testing of the related issues. The statistical population is 7 entrepreneurial academic and entrepreneurship experts. During the meeting, principal instructions were provided to the respondents about the pattern of the meeting. In the next step, the subject was introduced through four key questions derived from the research model. It is worthy to note that experts in this area are few. Then, for getting more precise data, the general questions were broken to more specific one and were discussed among the respondents.

4. Finding

Table 1: Dimension of presented model (topics, aspects and components) (researcher-designed)

Components	Aspects	Subject
Feeling and identifying the need	Innovativeness	
Product profitability		
Producing a valuable product		
Entrepreneur awareness		
Seizing the opportunity		
Doing the tasks on informal ways		
Market entrance speed		
Processing different ideas and creating opportunities		
Hard goals	achievement-seeking	personal experiences of others
Having perseverance to achieve goals		
Determining the business objectives by the individual itself		
Selecting the objective by the individual		
Consulting the experts		
Job satisfaction		
responsibility		
Being volunteer for additional tasks		
Average risk		
Business feedback		
Instant awareness of the business evaluation results		
Self-perception	Self-esteem	
Self-perspective		
What we do know about how others perceive us		
Having or lacking a feeling of self-control (life perspective)	Self-control	physiological arousal and emotional
The belief in the fact that people are responsible for their		
The belief in the role luck plays in personal achievements (being fortunate)		
Previous knowledge (success and failure in commercialization processes)	Implicit verbal persuasion	
Previous (experience) knowledge		
Mental models		
Special knowledge (educations)	Explicit verbal persuasion	verbal persuasion through knowledge
Courses and workshops taken		
Technical knowledge (occupational awareness)	Personal verbal persuasion	
Self-study		
Personal actions		
Business knowledge	Group verbal persuasion	
Market and business environment knowledge		
Self-control and inner discipline	Personal skills	
Risk-taking		
Persistence		
Resistance and assiduity		Skill
Foresight management		
Change management abilities and change-orientedness		
Innovativeness		

In this section, a comprehensive table, just the same as Table 1, is obtained for each interview. This table shows the above-mentioned factors building the pattern of entrepreneurial self-efficacy on entrepreneurial intention

5. Conclusion

In this study to accommodate self-efficacy entrepreneurship and entrepreneurial intention. We can conclude that if a person posse's high entrepreneurial self-efficacy, this means he believe that he has necessary ability being an entrepreneur and therefore he can do entrepreneurial rules and tasks successfully. As a result, self-efficacy belief, increases perception of feasibility at the person, and therefore influences on entrepreneurial intention. Even though these cultural characteristics do not foster entrepreneurship, the moderate to high relationships between dimensions of ESE and entrepreneurial intention show that the concept of self-efficacy may be fruitful in determining the factors that affect entrepreneurial intention. The dimensions, which are, related strongly to entrepreneurial intention points out that apart from ESE, there are other important factors. Future researches can be performed into subjects such as "how self-efficacy created and enhanced in persons". In addition, comparison of entrepreneurial intention and self-efficacy of male and female students, or comparison of these variables on other environments, can be analyzed on future researches in order to achieving comprehensive results.

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