

## RELATIONSHIP BETWEEN ENTREPRENEURIAL SELF-EFFICACY AND ENTREPRENEURIAL INTENTION

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### Abstract

*The relationship between entrepreneurial self-efficacy and entrepreneurial intention is examined in this study. Understanding how self-efficacy affects people's intentions to become entrepreneurs is the goal. The study analyses the relationship between the variables and investigates underlying mechanisms using a mixed-methods approach that combines quantitative surveys and qualitative interviews. The study proposes including self-efficacy development in entrepreneurship education programmes and support initiatives since it contends that strengthening self-efficacy beliefs can improve entrepreneurial ambitions. This study emphasises the significance of self-efficacy in determining entrepreneurial inclinations and encourages additional investigation of the contextual variables and mechanisms influencing this relationship.*

**Keywords:** *Self-efficacy, Entrepreneurial Intention, Tolerance for Ambiguity, Risk taking, Entrepreneurship.*

### INTRODUCTION

The concept of self-efficacy was developed by renowned psychologist Albert Bandura. Self-efficacy, according to Bandura, is the confidence a person has in their ability to carry out tasks and produce desired results. It is a key idea in Bandura's Social Cognitive Theory, which emphasizes how cognitive processes, observational learning, and self-regulation have a role in the way individuals respond. Governments, development aid agencies and scholars world over are convinced that entrepreneurship is central to economic development, employment creation and improvement of standards of life of people in different communities. Self-efficacy in the context of entrepreneurship refers to a person's confidence in their capacity to successfully engage in entrepreneurial activity. It includes their self-assurance in a range of entrepreneurial success-enhancing abilities, including opportunity recognition, invention, taking calculated risks, networking, and problem-solving. The connection between self-efficacy and entrepreneurial intention has been examined in a number of research. Higher levels of self-efficacy are positively correlated with entrepreneurial intention, according to research. This finding suggests that people who believe they are competent and capable are more likely to exhibit a desire and commitment to start their own business. For instance, a study discovered that among Chinese university

students, self-efficacy had a substantial impact on their intention to start their own business. Self-efficacy and entrepreneurial intention were found to be positively correlated in another study among people in the US. According to these results, those who have higher self-efficacy are more likely to have faith in their own entrepreneurial ability, which increases their desire to launch their own enterprises or engage in entrepreneurial activities. Additionally, self-efficacy can have an impact on other entrepreneurship-related psychological variables like entrepreneurial self-identity, entrepreneurial motivation, and entrepreneurial persistence. Strong self-efficacy beliefs increase one's likelihood of thinking of oneself as an entrepreneur, as well as one's willingness to pursue entrepreneurial goals and perseverance in the face of adversity.

## REVIEW OF LITRATURE

**Yilmaz & Ataay (2011)** Entrepreneurial self-efficacy is a fundamental idea established in Bandura's social cognitive theory. It represents individuals' belief in their ability to effectively engage in entrepreneurial activity. This belief has a substantial influence on entrepreneurial goals and behaviour. It is highlight its impact on the intention to undertake entrepreneurial activities, while emphasise its function in distinguishing entrepreneurs from managers. demonstrate its influence on entrepreneurial inclinations. It demonstrate the importance of self-efficacy in developing entrepreneurial goals, whereas provide an adaptable self-efficacy scale.

**Sanchez & Roldan (2016)** Its influence is extended to academic contexts by investigate its implications for corporate entrepreneurship, investigate its implications for entrepreneurial decision-making. While investigate the effect of academic achievement in increasing self-efficacy, whereas emphasise its importance in generating innovation and collaboration. These studies add to our understanding of self-efficacy in a variety of situation.

**Obschonka and Stuetzer** Entrepreneurial intention, a fundamental aspect of the entrepreneurial process, includes individuals' intentional decision and aspiration to start on entrepreneurial endeavours. It represents the first step in transforming entrepreneurial ideas into tangible activities, so defining the course of future entrepreneurial endeavours. Understanding entrepreneurial intention has acquired relevance in the developing landscape of entrepreneurship as a tool to anticipate and influence the formation of new enterprises, innovation, and economic growth.

**Nabi and Lian** examine the study that entrepreneurial intention among management students. It is understanding the complexities of entrepreneurial intention becomes increasingly important as the entrepreneurial landscape adjusts to shifting technological, social, and economic variables, contribute to a better understanding of how individual goals, external influences, and educational experiences all work together to determine the future of entrepreneurship, innovation, and economic progress.

## OBJECTIVES OF THE STUDY

1. To analyse the self-efficacy of the respondents
2. To examine the entrepreneurial intention among the respondents
3. To evaluate the relationship between self-efficacy and entrepreneurial intention of the respondents.

## METHODOLOGY

**Research Design:** The study empirical in nature based on both primary and secondary data. The study describes the factors that motivate students to become entrepreneurs.

**Sample Unit:** The sample unit is final year students from BCom, MCom, BBA, MBA in Scott Christian College at Nagercoil.

**Sample Size:** 150 questionnaires are distributed to final year students.

**Tools of Analysis:** To analyse the data the researcher has used percentage, Correlation.

## DATA ANALYSIS AND DISCUSSION

The following table shows the demographic profile of the respondents which is very important to know their level and interest of their business and the ideas about entrepreneurship.

**Table 1: Demographic Profile of the Respondents**

S. No.	Particulars	Category	No. of Respondents	Percentage
1.	Gender	Male	78	52
		Female	72	48
		<b>Total</b>	150	100
2.	Age	19-22 years	93	62
		More than 22 years	57	38
		<b>Total</b>	150	100
3.	Parent's Monthly Income	Rs.10,000 per month	40	26
		Rs.10,000-Rs.50,000	82	55
		<b>Total</b>	150	100
4.	Parent's own business	Yes	49	33
		No	101	67
		<b>Total</b>	150	100
5.	Parent's education	Higher Secondary	73	49
		Up to Graduate	60	40
		Post Graduate	17	11
		<b>Total</b>	150	100
6.	Positions in Family	Lower	33	22
		Lower-middle	60	40
		Middle	43	28
		Upper middle	7	5
		Upper	7	5
		<b>Total</b>	150	100

**Source: Primary Data**

Table 4.1 shows that 52 per cent (78) respondents are male and 48 per cent (72) of the respondents are female. 62 per cent (93) of the respondents are belong to the age group of 19-22 years and 38 per cent (57) of the respondents belong to the age group of above 22. 19 per cent (28) of the respondents' monthly income of above 50000 and 55 per cent (82) of the

respondents are 10000-50000. 67 per cent (101) of the respondents are not run parent's business and 33 per cent (101) of the respondents' parents are runs his own business. 11 per cent (17) of the respondents' education level is post graduates and 40 per cent (60) of the respondent's education level is up to graduation. 40 per cent (60) of the respondents' family position is lower middle class and 5 per cent (7) of the respondents are high class.

### ENTREPRENEURIAL SELF-EFFICACY

The questionnaire for entrepreneurial self-efficacy contained ten indicators for deciding to own a business. The respondents were using five-point Likert scale to give their opinion for each statement.

**Table 2: Entrepreneurial Self-Efficacy**

S. No	Indicators	Mean score	Rank
1.	I believe that developing a new product and market opportunities is essential launch a venture.	4.026	III
2.	I believe that building an innovative environment involves encouraging others to try a new idea or to take innovative action.	3.826	V
3.	I believe that initiating investor relationships is necessary to find sources of funding for their venture.	3.760	VII
4.	I believe that defining core purpose involves making vision clear to others.	4.447	I
5.	I am capable of tolerating ambiguity and uncertainty in the start-up venture.	3.293	X
6.	I believe that developing critical human resources is important in a start-up venture.	3.373	IX
7.	To start a firm and keep it working would be easy for me	3.807	VI
8.	I am prepared to start a viable firm	3.709	VIII
9.	I can control the creation process of a new firm	4.102	II
10.	I know the necessary practical details to start a firm	4.003	IV

#### Source: Primary data

The table 4.2 shows that I believe that defining core purpose involves making vision clear to others (4.447) holds first rank, I can control the creation process of a new firm (4.102) hold second rank, I believe that developing critical human resources is important in a start-up venture holds (3.373) ninth rank and I am capable of tolerating ambiguity and uncertainty in the start-up venture (3.293) hold the last rank.

### ENTREPRENEURIAL INTENTION

Is defined as the conscious state of mind that precedes action and directs attention toward entrepreneurial behaviours such as starting a new business and becoming an entrepreneur.

**Table 3: Entrepreneurial Intention**

S. No	Indicators	Mean score	Rank
1.	I always prefer to be an entrepreneur	5.081	I
2.	I have serious thoughts of starting a company	4.823	II
3.	My professional goals are to become an	4.102	III

	entrepreneur		
4.	I have strong determination to create a company in the future	3.373	V
5.	I am ready to do anything to become an entrepreneur	3.817	IV

**Source: Primary Data**

The table 4.3 shows that I always prefer to be an entrepreneur (5.081) holds first rank, I have serious thoughts of starting a company (4.823) holds second rank, I have serious thoughts of starting a company (4.102) holds third rank, I am ready to do anything to become an entrepreneur (3.817) holds fourth rank and I have strong determination to create a company in the future (3.373) holds last rank.

**RELATIONSHIP BETWEEN SELF- EFFICACY AND ENTREPRENEURIAL INTENTION**

Studies examining the direct impact of self-efficacy on entrepreneurial intentions revealed that people with higher self-efficacy have greater intentions. And also believe they are more likely to achieve positive outcomes by tracking a determined plan.

**Table 4: Relationship between self-efficacy and entrepreneurial intention**

Indicators	Mean	SD	1	2	3	4	5	6	7	8	9	10
I believe that developing a new product and market opportunities is essential launch a venture.	3.54	1.36	1									
I believe that building an innovative environment involves encouraging others to try a new idea or to take innovative action.	3.50	1.22	.614**	1								
I believe that initiating investor relationships is necessary to find sources of funding for their venture.	3.44	1.01	.478**	.486**	1							
I believe that defining core purpose involves making vision clear to others.	3.61	1.05	.484**	.532**	.483**	1						
I am capable of tolerating ambiguity and uncertainty in the start-up venture.	3.58	1.15	.345**	.381**	.308**	.426**	1					
I believe that developing critical human resources is important in a start-up venture.	3.63	1.09	.544**	.504**	.403**	.632**	.443**	1				
To start a firm and keep it working would be easy for me	3.45	1.07	.385**	.400**	.423**	.446**	.467**	.473**	1			
I am prepared to start a viable firm	3.41	1.06	.360**	.411**	.459**	.393**	.341**	.446**	.550**	1		
I can control the creation process of a new firm	3.51	1.15	.468**	.531**	.455**	.543**	.370**	.472**	.411**	.671**	1	
I know the necessary practical details to start a firm	3.57	1.12	.515**	.462**	.341**	.491**	.487**	.463**	.430**	.553**	.575**	1

**Source: Computed data**

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The table 4.4 shows that the highest mean score value (3.63) I believe that developing critical human resources is important in a start-up venture, the second highest mean score value is I believe that defining core purpose involves making vision clear to others (3.61), the last level of the mean score value is (3.44). This implies that they understand how important it is to assemble and develop a knowledgeable and competent team in order for their endeavour to succeed. The significance of giving stakeholders a clear understanding of the venture's goal and vision. This may suggest that there is a need for development or raising awareness of the significance of establishing relationships with investors.

**FINDINGS**

1. 52 per cent (78) respondents are male and 48 per cent (72) of the respondents are female.
2. 62 per cent (93) of the respondents are belong to the age group of 19-22 years and 38 per cent (57) of the respondents belong to the age group of above 22.
3. 19 per cent (28) of the respondents' monthly income of above 50000 and 55 per cent (82) of the respondents are 10000-50000.
4. 67 per cent (101) of the respondents are not run parent's business and 33 per cent (101) of the respondents' parents are runs his own business.
5. 11 per cent (17) of the respondents' education level is post graduates and 40 per cent (60) of the respondent's education level is up to graduation.
6. 40 per cent (60) of the respondents' family position is lower middle class and 5 per cent (7) of the respondents are high class.
7. I believe that defining core purpose involves making vision clear to others (4.447) holds first rank, I can control the creation process of a new firm (4.102) hold second rank, I believe that developing critical human resources is important in a start-up venture holds (3.373) ninth rank, and I am capable of tolerating ambiguity and uncertainty in the start-up venture (3.293) hold the last rank.
8. I always prefer to be an entrepreneur (5.081) holds first rank, I have serious thoughts of starting a company (4.823) holds second rank, I have serious thoughts of starting a company (4.102) holds third rank, I am ready to do anything to become an entrepreneur (3.817) holds fourth rank, I have strong determination to create a company in the future (3.373) holds last rank.
9. that the highest mean score value (3.63) I believe that developing critical human resources is important in a start-up venture, the second highest mean score value is I believe that defining core purpose involves making vision clear to others (3.61), the last level of the mean score value is (3.44).

**SUGGESTIONS**

1. Develop instructional plans that give students real-world experience, information, and skills related to entrepreneurship with the goal of increasing their sense of self-efficacy. This can include seminars, workshops, and chances for hands-on learning.
2. Reward students for their accomplishments and offer helpful criticism on their entrepreneurial ventures. Getting compliments and recognition can help boost motivation and self-efficacy.



3. Incorporate practical business difficulties into your academic curriculum. By enabling students to apply theoretical knowledge in real-world contexts, this method increases their self-efficacy and confidence in their ability to handle actual business problems.
4. Create counselling services with an entrepreneurial focus to address the psychological aspects of self-efficacy. Professional counsellors can offer direction on getting over self-doubt and handling the difficulties that come with starting your own business.

## CONCLUSION

In summary, the relationship between self-efficacy and entrepreneurial intention serves as a keystone in the development of a thriving student entrepreneurial culture. To increase students' self-efficacy, educational institutions might use focused tactics like mentorship programmes, experiential learning opportunities, and an emphasis on practical skills. Students are more inclined to embrace entrepreneurial dreams as they grow in confidence in their skills. A positive self-efficacy mentality is influenced by cultivating a supportive group, rewarding accomplishments, and encouraging a growth perspective. In the end, educational institutions help students confidently pursue and succeed in entrepreneurial endeavours by investing in the development of self-efficacy. This allows students to leave a lasting legacy in the dynamic field of innovation and business.

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