

# Self-efficacy:

[Business](#), [Entrepreneurship](#)



Self-Efficacy: Is an individual's cognitive estimate of his or her "capabilities to mobilize the motivation, cognitive resources, and courses of actions needed to exercise control over events in their lives". (Wood and Bandura 1989) Some conceptual and Measurement Issues of Self-Efficacy - Reciprocal Causation of Self-Efficacy and Performance When trying to distinguish the social learning theory from many traditional psychological theories by emphasizing reciprocal causation among cognition, traditional unidirectional theories depict human behavior as caused either by environment events or internal dispositions. In social learning theories explain human behavior in terms of "Triadic reciprocal causation behavior", cognitive and other personal factors, and environment events. Each of the three factors affects and is affected by the other two. The notion of reciprocal causation is important in understanding self-efficacy and its determinants and effects. People with high self-efficacy have more intrinsic interest in the tasks and are more willing to expend their effort and show more persistence in the face of obstacles and setbacks; as a result they are more effective. Performance accomplishments are found to be the most influential in shaping and estimating one's self-efficacy, self-efficacy affects performance through interest, motivation, and perseverance, whereas performance provides feedback information on the basis of which self-efficacy is further evaluated and modified. Also there is a positive correlation between self-efficacy and performance accomplishment. - Expectancy Theory and Self-Efficacy Expectancy theory is also cognitive and is based on two expectations: 1- Probability that effort will lead to performance level. 2- Probability that performance will lead to outcome. In comparison with self-efficacy we can

noticed that the self efficacy concerned with the execution of an action, not its outcome. - Self-Efficacy and Locus of Control There are two main similarities between Self-Efficacy and Locus of control they are: 1- Both are cognitive and are about control. 2- Self-Efficacy can be affected by performance; Locus of Control can be affected by life experiences. There are also two main distinctions, which is: 1- Locus of control measures not only behavioral but also outcome control, whereas self-efficacy concerns only behavioral control. 2- Internal versus external locus of control is a generalized construct covering a variety of situations, whereas self-efficacy is task specific. A person may therefore have a strong internal locus of control in general but have a low self-efficacy in performing specific tasks of an area. - Specificity-Generativeness of Self-Efficacy The most frequent definition of self-efficacy refers to perceived capabilities to perform specific task. Obviously the control over the event of a singular task is much more specific than the control over event of a singular task is much more specific than the control over the event of a career. The notion of generativeness therefore allows a broader application of self-efficacy while at the same time it imposes a condition for such application. The reason behind the self-efficacy can be applied to career choice is presumably because an occupation contains a set of interrelated tasks. - Measurement of Self-efficacy The predictive power will be sacrificed as the measure becomes more general, this is to say that regardless of the specificity of the task domain, assessment of efficacy has to be specific task level to maintain its predictive power. One can measure self-efficacy of running one's own business by referring to self employment in general or in alternatively. - Self-Efficacy and

the Study of Entrepreneurship The self-efficacy perspective is highly appropriate for the study of entrepreneur because: First: Because of a global disposition, self-efficacy theory helps address the problem of lack of specificity in previous entrepreneurial personality research. Second: Because of one vocational capability, entrepreneurial self-efficacy is relatively more general than task self-efficacy. Third: It can be used to predict and study entrepreneurs' behavior choice, persistence and effectiveness. Finally: The relationship between self-efficacy and behavior is best demonstrated in challenging situations of risk and uncertainty which are believed to typify entrepreneurship.

- Entrepreneurial Self-Efficacy and Entrepreneurial Decision Entrepreneurial decision means the decision that create and manage one's own business, that affected by many factors generally classified into two main groups: contextual and individual factors. A key component of these intentional models is the concept of entrepreneurial self-efficacy (ESE). ESE: refers to the strength of an individual's belief he or she is capable of successfully performing the roles and tasks of an entrepreneur. The entrepreneur decision may be influenced by ESE for a number of reasons: 1- The same entrepreneurial environment could be assessed as replete with opportunities by people with high ESE but fraught with costs and risk by people with low ESE. 2- If people perceive an identical reality consisting of uncertainties risks and hardships, those with high ESE would feel more competent to deal with that reality than those with low ESE. 3- People with high ESE anticipate different outcomes than people with low ESE because entrepreneurs have a very high belief in their ability to influence the achievement of business goals; they perceive a very low possibility of failure.

- Roles and Tasks of the Entrepreneur The roles and tasks of the entrepreneur can be one of the following three: First: A comprehensive review of the definitions of entrepreneurship by theoretical economist, it defines the entrepreneur in terms of competencies, capacities and skills. Generally there are three main themes of entrepreneurship and entrepreneurial capabilities: uncertainty and risk, complementary managerial competence, and creative opportunism. Second: Using the role frame-work to conceptualize and study motivation patterns of the entrepreneur in relation to the role requirements inherent in the task system of entrepreneurship, here identifies five role prescriptions that characterize the task system of the entrepreneur: self achievement, avoiding risks, feedback of results, personal innovation, and planning to the future. Thirdly: Mentioned that CEOs of technology based new ventures identify dominant problems at different stages of growth, here there are six clusters of tasks across the stages: organizational system, sales/marketing, people, production, strategic positioning, and external relations.