



Examining how the personality, self-efficacy, and anticipatory cognitions of potential entrepreneurs shape their entrepreneurial intentions

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ABSTRACT

Using an expanded view of entrepreneurial feasibility, we hypothesize a model in which entrepreneurial intentions are fostered by proactive personality and trait competitiveness. In doing so, our study expands the concept of entrepreneurial feasibility to include anticipatory thinking and a generative view of entrepreneurial self-efficacy by considering broader forms of self-efficacy that proactive and competitive people are likely to develop – creative self-efficacy and learning self-efficacy. Results indicate multiple self-efficacy beliefs account for anticipatory entrepreneurial cognitions and that the relationship between entrepreneurial self-efficacy and entrepreneurial intentions is fully mediated by these cognitions. The practical implications of these findings are discussed.

1. Introduction

Entrepreneurs play a major role in fostering economic growth and job creation (Baron, 2006; Bjørnskov & Foss, 2013), hence the question of what spurs individuals to pursue entrepreneurial activities has been prevalent in the entrepreneurship literature. Recent research has tended to focus on a cognitive approach to the entrepreneurship process using intention-based models to explain that entrepreneurial behavior is predicated on individuals' intentions (Esfandiar, Sharifi-Tehrani, Pratt, & Altinay, 2017). These models have been empirically verified and reveal that individuals' entrepreneurial intentions predict both entrepreneurial goal orientation (Esfandiar et al., 2017) and whether or not they will engage in entrepreneurial ventures such as business start-ups (Drnovšek, Wincent, & Carson, 2010). One of the most commonly studied antecedents of entrepreneurial intentions is entrepreneurial self-efficacy (e.g., Esfandiar et al., 2017; Krueger & Brazeal, 1994; Lee, Wong, Foo, & Leung, 2011), which is “the strength of an individual's belief that he or she is capable of successfully performing the roles and tasks of an entrepreneur” (Chen, Greene, & Crick, 1998: 301).

Entrepreneurial intention models often cast entrepreneurial self-efficacy as a measure of perceived feasibility of venture creation (Krueger & Brazeal, 1994; Shapero, 1975) or “the degree to which one believes that she or he is personally capable of starting a business” (Krueger,

1993: 7). Perceived feasibility is thought to be important in moving individuals toward entrepreneurial action (Barbosa, Gerhardt, & Kickul, 2007; Esfandiar et al., 2017). Thus, entrepreneurial self-efficacy represents perceived feasibility (e.g., Krueger & Brazeal, 1994) and has been established as a key cognitive mechanism that underlies the relationship between antecedents such as personality and entrepreneurial intent/action (e.g., Chen et al., 1998). However, our current understanding of how perceived entrepreneurial feasibility is developed remains inadequate (e.g., Luthans & Ibrayeva, 2006).

Accordingly, we seek to extend what we know about entrepreneurial feasibility by employing social cognitive theory (Bandura, 1997) which suggests that narrow specific self-efficacy beliefs like entrepreneurial self-efficacy are “generated” from broader, less specific self-efficacy belief. Using a generative view of self-efficacy, we expand the notion of entrepreneurial feasibility by considering two broader self-efficacy beliefs: individuals' belief in their ability to learn new things (i.e., learning self-efficacy) and ability to think in new ways (i.e., creative self-efficacy). The resulting entrepreneurial self-efficacy beliefs of potential entrepreneurs high in these broad forms of self-efficacy should stimulate cognitive simulations of what it would be like to create and run a new venture. These mental tests of ‘how things might work’ are important to developing the belief that becoming an entrepreneur is feasible (c.f. Krueger & Brazeal, 1994). Thus, our study introduces a

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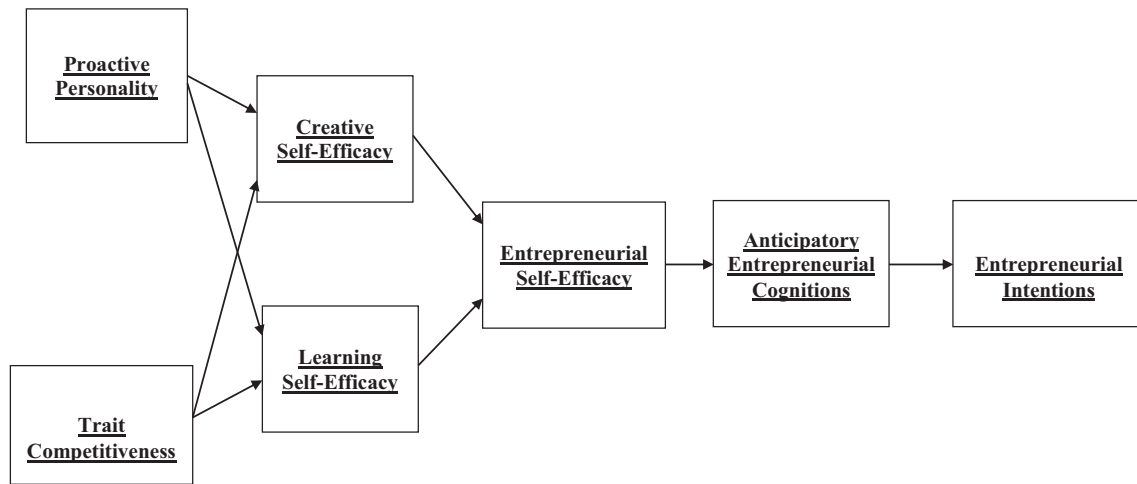


Fig. 1. Theoretical Model.

new construct *anticipatory entrepreneurial cognitions* – to capture important cognitive aspects of the development of entrepreneurial intentions. Therefore, by considering broad forms of self-efficacy and anticipatory thinking of potential entrepreneurs, we expand the notion of entrepreneurial feasibility (see Fig. 1).

In addition to building a model based on previous research on entrepreneurial self-efficacy and intentions, we also introduce a model that incorporates narrow personality traits which are often useful in predicting entrepreneurial intentions (Travis & Freeman, 2017). Specifically, we assess the extent to which two action-oriented personality traits underlie the development of entrepreneurial self-efficacy and intentions of potential entrepreneurs: proactive personality and trait competitiveness. The proactive personality trait captures an individual's "propensity to act" (Crant, 1996) which is important in entrepreneurial initiatives (Esfandiar et al., 2017; Shapero & Sokol, 1982). The inclusion of trait competitiveness aligns with the notion that the success of entrepreneurs relates to their competitiveness (Hornaday & Aboud, 1971).

2. Theory

According to social cognitive theory, self-efficacy is the perceived capability to perform a specific task and is "concerned not with what one *has*, but with belief in what one *can do* with whatever resources one can muster" (Bandura, 2007: 646). Individuals can provide information about domains in which they have no previous experience which is useful when studying potential entrepreneurs. We build upon the proactivity literature which suggests proactive individuals are likely to perceive they *can do*. Proactive individuals "scan for opportunities, show initiative, take action and persevere until they reach closure by bringing about change" (Bateman & Crant, 1993:105). Entrepreneurial endeavors require this type of perseverance. Research tends to support the relation between proactive personality and entrepreneurial intentionality (Crant, 1996), firm innovation (e.g. Shaver & Scott, 1991), and business creation as well as business success (Rauch & Frese, 2007).

This paper also draws from the work of Schumpeter (1934) who described "the will to conquer" (p. 93) as a central trait predicting entrepreneurial action. Trait competitiveness represents an individual's need to achieve or to excel and his/her "enjoyment of interpersonal competition and the desire to win and be better than others" (Spence & Helmreich, 1983: 41). Trait competitive people are driven to achieve high-performance levels (Brown, Cron, & Slocum Jr., 1998). They tend to seek out comparative information to help them understand where they stand relative to other people and to learn from other's mistakes and accomplishments (Wang & Netemeyer, 2002).

The self-efficacy of potential entrepreneurs may emerge, in part, due to their creative self-efficacy or "the belief that one has the ability to produce creative outcomes" (Tierney & Farmer, 2002: 1138). Creative self-efficacy is positively associated with the generation of novel and useful ideas as well as other forms of creative behavior (Gong, Huang, & Farh, 2009; Tierney & Farmer, 2002). Creativity is believed to be important to the entrepreneurial process because of its linkage with opportunity recognition and the development of new products and ventures (Ko & Butler, 2007) as well as firm innovation (Ahlin, Drnovšek, & Hisrich, 2014). Because entrepreneurial self-efficacy incorporates many creativity-related aspects relevant to the entrepreneurial domain, creative self-efficacy should foster feelings of entrepreneurial capability that lead to entrepreneurial self-efficacy.

Entrepreneurial capability depends on an individuals' ability to take on many different roles and take charge of their own careers (Chen et al., 1998) which is consistent with the literature on proactive personality. The proactive personality trait is related to a wide variety of self-efficacy measures including role-breadth self-efficacy and career self-efficacy (Fuller & Marler, 2009). Crant and Bateman (2000) suggest that individuals with proactive personality seize new opportunities and use novel ways of doing things even if they entail some risk, and research shows proactive employees demonstrate creativity in their jobs (Kim, Hon, & Lee, 2010). Therefore, we expect that proactive personality will be positively related to entrepreneurial self-efficacy and that this relationship will be mediated by creative self-efficacy because highly proactive people will feel capable of undertaking broad roles.

H1. *The positive relationship between proactive personality and entrepreneurial self-efficacy will be partially mediated by creative self-efficacy.*

Another potential source of self-efficacy for potential entrepreneurs is learning self-efficacy which represents an individual's belief that he/she has the ability to learn and adapt (Potosky & Ramakrishna, 2002) and tends to increase engagement in task learning (Schunk, 1989). People who believe they have the capacity to learn and adapt tend to use cognitive processes that facilitate learning, rehearsing, reasoning, and mentally organizing information (Warr & Bunce, 1995). Learning self-efficacy has also been positively linked to performance (Herndon & Bembenuity, 2017). The belief that they can learn the tasks associated with venture creation, management, and competitive advantage before forming entrepreneurial self-efficacy beliefs is requisite for potential entrepreneurs (Hagen, Tootoonchi, & Hassan, 2005). Proactive individuals believe in their ability to learn and adapt which is critical to the development of their entrepreneurial self-efficacy. Because individuals high in proactive personality are learning-oriented and

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