



I am what I am - How nascent entrepreneurs' social identity affects their entrepreneurial self-efficacy



Leif Brändle^a, Elisabeth S.C. Berger^a, Stephan Golla^b, Andreas Kuckertz^{a,*}

^a University of Hohenheim, Germany

^b Fulda University of Applied Sciences, Germany

ARTICLE INFO

Keywords:

Entrepreneurial self-efficacy
Nascent entrepreneurship
Social identity theory
Social entrepreneurship
Entrepreneurship Education

ABSTRACT

Their perceived entrepreneurial self-efficacy has various implications for nascent entrepreneurs. Those effects range from causing overconfident entrepreneurs to set unattainable goals, to overchallenged entrepreneurs being deterred by complex opportunities. We propose that entrepreneurs' social identity, which is related to the type of opportunity they pursue, might explain different levels of entrepreneurial self-efficacy. Our analysis of a sample of 753 nascent entrepreneurs shows that self-interested *Darwinian* entrepreneurs are more likely to feel competent, while *missionary* entrepreneurs trying to further a cause applicable to society at large do not demonstrate high levels of entrepreneurial self-efficacy.

1. Introduction

"[...] entrepreneurship, understood broadly, is heterogeneous, blooming, messy, and a sometimes glorious social tool that is widely available. [...] it can produce heroes of many kinds: of their own lives, families, communities, and myriad other contexts." (Welter et al., 2017, p. 317)

Entrepreneurs are embedded in and shape their social environment in many ways. They affect a society's economic growth (Audretsch et al., 2006), enter politics (Obschonka and Fisch, in press), transform established organizations (Dess and Lumpkin, 2005) and develop solutions that can bring progress to communities (McKeever et al., 2015) or society at large (Zahra et al., 2009). The diversity in entrepreneurial behavior reflects the heterogeneity of the roles and identities entrepreneurs apply (Gruber and Macmillan, 2017).

To be "heroes of many kinds" (Welter et al., 2017, p. 317), entrepreneurs need to attain basic skills in entrepreneurship. Those skills generally encompass competences applicable to various entrepreneurial tasks (Chen et al., 1998; Forbes, 2005; Liñán, 2008; Zhao et al., 2005). It is especially important for nascent entrepreneurs to experience entrepreneurial self-efficacy (ESE), since it helps them to perform better in uncertain environments by compensating their actual deficiencies in expertise with perceived entrepreneurial abilities (Engel et al., 2014). Nascent entrepreneurs need to be confident that the entrepreneurial opportunity is feasible, and that they are able to exploit it (Dimov, 2010). Some argue that nascent entrepreneurs who give up lack ESE (Drnovšek et al., 2010), the reasons possibly being determined by their risk preference and cognitive style (Barbosa et al., 2007), and the cultural environment they are embedded in (Hopp and Stephan, 2012). On the other hand, entrepreneurs can also experience an excess of ESE, which can contribute to venture failure and negative firm performance (Hayward et al., 2006). In their early stages, startups are

* Correspondence to: University of Hohenheim, Institute of Marketing & Management, Entrepreneurship Research Group (570c), Wollgrasweg 49, D-70599 Stuttgart, Germany.

E-mail address: andreas.kuckertz@uni-hohenheim.de (A. Kuckertz).

<https://doi.org/10.1016/j.jbvi.2017.12.001>

Received 30 August 2017; Received in revised form 1 December 2017; Accepted 8 December 2017

2352-6734/© 2017 The Authors. Published by Elsevier Inc. This is an open access article under the CC BY license (<http://creativecommons.org/licenses/by/4.0/>).

strongly driven and shaped by the characteristics and vision of their founders, which should prompt us to investigate the social identity of those founders. It is thus important to determine whether nascent entrepreneurs are mainly driven by economic self-interest or are on a social mission to change the world. Doing so involves asking *who they are* and *who they want to be*.

This article studies the relationship between the social identity of nascent entrepreneurs (which is related to whether they pursue the social- or self-interest-oriented type of opportunity) and their perceived ESE (which is related to their subjectively perceived capacity to act upon a particular opportunity). The paper thus sets out to answer the following research question: Do different social identities of nascent entrepreneurs lead to differences in their entrepreneurial self-efficacy?

This article aims to shed light on the issues that hinder nascent entrepreneurs from developing ESE or enable them to do so. We propose that one such determinant is the entrepreneur's social identity. Hierarchical regression analysis with data from 753 nascent entrepreneurs shows that entrepreneurs with Darwinian and communitarian social identities perceive they have higher levels of ESE, whereas nascent entrepreneurs identifying with a mission to change the world do not. This study aims to contribute to the existing literature in three ways: First, it establishes the need to consider an entrepreneur's social identity when measuring ESE. Second, it shows that differences in perceived ESE with regard to entrepreneurs' social identities tend to be rather subjective. Third, it speaks for the implementation of specific self-efficacy scales for the various social identities.

2. Social identity and self-efficacy in nascent entrepreneurship

Entrepreneurs either need to or want to distinguish themselves from other members of society (Shepherd and Haynie, 2009); however, they still experience the basic psychological need to belong to a group (Tajfel and Turner, 1986). According to social identity theory, people define themselves as being members of an in-group that has significantly different attributes from an out-group (Tajfel and Turner, 1979, 1986). In identifying with an in-group, people want to incorporate the positive attributes like success and status of the in-group and compare them to the perceived negative attributes of the out-group, which increases their self-esteem and can enhance self-efficacy (Abrams and Hogg, 1988; Stryker and Burke, 2000). Members of social groups evaluate activities by whether they are in line with an identity prototype, and are more likely to conduct activities that fit (Tajfel and Turner, 1979). The individual's social identity is expected to develop over a long period starting in early childhood and will be constantly questioned and refined over the course of a person's life (Fauchart and Gruber, 2011). Entrepreneurs' social identity has an impact on the type of opportunity they exploit (Wry and York, 2017; York et al., 2016), the strategic decisions they consider appropriate, and the type of value they create (Fauchart and Gruber, 2011). Accordingly, examining nascent entrepreneurs' social identity can illuminate hitherto unexplained variance in the firm creation process (Fauchart and Gruber, 2011; Powell and Baker, 2014, *in press*). Entrepreneurs' basic social motivation, basis for self-evaluation, and frame of reference all shape their social identity and produce three different social identity types: Darwinians, communitarians, and missionaries (Fauchart and Gruber, 2011). Darwinian entrepreneurs are driven by economic self-interest, define success as being a competent professional and see their frame of reference in competing firms. Communitarians intend to contribute to a group they strongly identify with, evaluate themselves based on whether they are true to similar others and act in the frame of reference of their community. Missionaries want to advance a cause by venture creation, define success as making the world a better place, and define their frame of reference as society at large (Fauchart and Gruber, 2011; Sieger et al., 2016).

ESE is a critical concept in nascent entrepreneurship that addresses the question of whether entrepreneurs feel that they have the capacity to adequately respond to a particular entrepreneurial challenge. Social cognitive theory holds that the greater the entrepreneur's experience of accomplishment (enactive mastery), of vicarious learning (role modeling), of receiving positive feedback (social persuasion), and the stronger their perception that they are in a stable physical and emotional state, the stronger will be their ESE (Bandura, 1982, 1986; Boyd and Vozikis, 1994; Lent et al., 1994). While self-efficacy can be determined by asking if individuals perceive themselves to be able to perform a specific behavior, perceived controllability revolves around whether someone feels generally in control of the performance (or nonperformance) of a behavior (Ajzen, 2002). Controllability can be measured as a locus of control, and states the degree to which individuals feel their behavior is independent of external factors (Levenson, 1973; Sieger and Monsen, 2015). According to Ajzen (2002) self-efficacy and controllability are interrelated and together form the widely used construct *perceived behavioral control* (Ajzen, 1991). Entrepreneurs' perceptions of their ability to perform a specific behavior (or their ESE) will be adversely affected when they believe external forces deprive them of complete control of their behavior; in other words there is a lack of perceived controllability (Urbig and Monsen, 2012). It follows that nascent entrepreneurs who perceive they have an elevated level of controllability might experience stronger ESE, and the reverse should also apply.

The central tenet of the current research is, however, that those individuals who are driven primarily by economic self-interest are most likely to perceive the highest levels of ESE. Nascent entrepreneurs with a Darwinian social identity are quite likely to experience enactive mastery, which flows from their view that being a competent professional constitutes success (Fauchart and Gruber, 2011). Such entrepreneurs would probably feel that status flows from applying solid management practices and thoughtfully conducting financial planning (Sieger et al., 2016). Furthermore, nascent entrepreneurs' role models are less likely to be distant icons than they are to be people from the entrepreneurs' immediate environment (Bosma et al., 2012). As the competitive Darwinian approach is well established in free market economies, the chances of an entrepreneur having a Darwinian role model in the family or the professional environment would seem to be quite high. Darwinian entrepreneurs are also likely to receive positive feedback from within their immediate environment, and to experience social encouragement through, for example, teachers and mentors (Zhao et al., 2005) because many business schools teach students how to win in a competitive environment. Accordingly, Darwinians may experience the social encouragement they need to nurture their ESE. Finally, Darwinians are less likely to experience negative emotions like anxiety because they only feel responsible for themselves (Sieger et al., 2016). The ability to bypass anxiety makes issues like the fear of

Download English Version:

<https://daneshyari.com/en/article/7426015>

Download Persian Version:

<https://daneshyari.com/article/7426015>

[Daneshyari.com](https://daneshyari.com)