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Research Paper

Entrepreneurial Self Efficacy and Continuation of Business of the Small Scale Entrepreneurs in Tansidco, Coimbatore

Management

KEYWORDS : Entrepreneurial self efficacy, Marshaling, crises management, continuity intension.

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ABSTRACT

The study conducted with entrepreneurs of TANSIDCO, Coimbatore, to find out the level of Entrepreneurial Self Efficacy and the relationship of that with their intension in continuation of their business. Fifty two entrepreneurs responded and the structured questionnaire with the selected variables was used and the through interview schedule the data collected. Search, Planning, Marshaling, implementing in personal and finance were taken in ESE. Their continuity intension of business measured with their future plans of the business in profit increasing, expansion and innovative or creative ideas in crises management, and passion towards their business. The level of self efficacy and the relationship between ESE and the intension in retaining in the business was analyzed. The results were predominant towards the objectives.

Introduction

Every Individual has his own personality and uniqueness. Their wishes, perceptions, leadership qualities, working nature, problem solving skill are totally different and this characteristic decides who they are and what they could do in their career. According to Frydman et al. (1999) entrepreneurship is clearly in part a matter of human ability. To become an entrepreneur, an individual needs to take action in to identifying opportunities, deriving a plan to take advantage of the opportunity, executing the plan, and constantly monitoring and adjusting the plan (Farmer et al., 2009). So that being an entrepreneur a human has to possess definite qualities which are known as traits. The entrepreneur is assumed to behave as if he maximizes utility including his value and desire to succeed. The lifestyle of entrepreneurs is different from other people. Their choice on their career shows their identity.

Entrepreneurship

The sixteenth century term 'entrepreneurship' may be simply meant as something like starting own business. But it has the valid definitions and continuous related researches. The 20th century economist, Joseph Schumpeter (1883-1950) focused on how the entrepreneur's drive for innovation and improvement creates upheaval and change. Schumpeter viewed entrepreneurship as a force of "creative destruction." The entrepreneur carries out "new combinations," thereby helping render old industries obsolete. Established ways of doing business are destroyed by the creation of new and better ways to do them. Business expert Peter Drucker (1909-2005), describing the entrepreneur as someone who actually searches for change, responds to it, and exploits change as an opportunity.

What leads a person to strike out on his own and start a business? Perhaps a person has been laid off once or more. Sometimes a person is frustrated with his or her current job and doesn't see any better career prospects on the horizon. Sometimes a person realizes that his or her job is in threat. A firm may be contemplating cutbacks that could end a job or limit career or salary prospects. Perhaps a person already has been passed over for promotion. Perhaps a person sees no opportunities in existing businesses for someone with his or her interests and skills. But he needs a valid input or inner quality which may explain as follows.

Self efficacy

Perceived self-efficacy is defined as people's beliefs about their capabilities to produce designated levels of performance that exercise influence over events that affect their lives. Self-efficacy beliefs determine how people feel, think, motivate themselves and behave. Such beliefs produce these diverse effects through four major processes. They include cognitive, motivational, affective and selection processes. A strong sense of efficacy enhances human accomplishment and personal well-being in many ways. People with high assurance in their capabilities approach difficult tasks as challenges to be mastered rather than as threats to be avoided. Such an efficacious outlook fosters intrinsic interest and deep engrossment in activities. They set themselves challenging goals and maintain strong commitment to them. They heighten and sustain their efforts in the face of failure. They quickly recover their sense of efficacy after failures or setbacks. They attribute failure to insufficient effort or deficient knowledge and skills which are acquirable. They approach threatening situations with assurance that they can exercise control over them. Such an efficacious outlook produces personal accomplishments, reduces stress and lowers.

Entrepreneurial Self Efficacy

Entrepreneurs own belief on their venture is coined as Entrepreneurial Self Efficacy. Two distinct but inter-related streams of research on entrepreneurial self-efficacy are evident in the literature. The first stream examines the role of self-efficacy during business start-up processes while the second stream of research examines its role during business growth phases. In the domain of business start-up processes an area of continued interest is understanding individual differences in self-efficacy for different subgroups, including male and female entrepreneurs (Scherer et al.,1989), entrepreneurs and managers (Chen et al. , 1998; De Noble et al., 1999), technological entrepreneurs and inventors (Markman et al., 2002), and successful and unsuccessful entrepreneurs (Markman and Baron, 2003). In what follows we review literature that examined direct and indirect effects of self-efficacy of entrepreneurs engaged in activities involving starting-up a new business.

One of the first contributions in research on entrepreneurial self-efficacy involved its role in the entrepreneurial intention formation. Boyd and Vozikis' (1994) extend Bird's (1988) model of entrepreneurial intentions where they proposed that self-efficacy was an important mediator in determining both the strength of entrepreneurial intentions, and the likelihood that those intentions would result in entrepreneurial actions. In further analyzing effects of self-efficacy on entrepreneurial intentions on populations of nascent entrepreneurs, Gatewood and her colleagues found that personal efficacy influenced the development of attributions of nascent entrepreneurs for creating new businesses. Krueger (2000) associated self-efficacy with perceived feasibility and formation of entrepreneurial intentions.

Entrepreneurial Intensions to continue the business.

Bird (1988, 1992) defines intention as a state of mind that fo-

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cuses a person's attention, experience, and behavior toward a specific object or method of behaving. Bird further suggests that entrepreneurial intention directs critical strategic thinking and decisions and operates as a Perceptual screen for viewing relationships, resources, and exchanges. According to this framework, individuals are predisposed to entrepreneurial intentions based upon a combination of both personal and contextual factors. Personal factors include prior experience as an entrepreneur, personality characteristics, and abilities. Many entrepreneurs are about to quit their businesses due to lack of confidence and drive to go forward in their business decisions.

TANSIDCO

Tamilnadu Small Industries Development Corporation Limited (TANSIDCO), an undertaking of Government of Tamilnadu, functions with the specific objective of playing catalytic role in the promotion and development of Small Scale Industries and hastening the industrial dispersal throughout Tamilnadu.

The key areas of TANSIDCO's activities are development of industrial estates with infrastructure facilities and provision of work sheds and developed plots, raw materials supply scheme, marketing assistance scheme, and guidance to entrepreneurs.

In Coimbatore the specific SIDCO is situated in Pollachi – Coimbatore main road. Around 75 companies are in SIDCO.

Objectives of the study

To find out the level of Entrepreneurial Self Efficacy (ESE) of the entrepreneurs

To get the significant relationship between Entrepreneurial Self Efficacy (ESE) and continuation of business.

Research Methodology

The descriptive study, with the convenient sampling 52 entrepreneurs was met and collected data by using interview schedule. Their activities measured in to four categories. Those are Searching, Planning, Marshaling, implementing personal and financial. Their continuity intension of business measured with their future plans of the business in profit increasing, expansion and innovative or creative ideas in crises management, and passion towards their business.

Personal details of the entrepreneurs.

All the fifty two are males and in the age group between 34 years to 48 years. Their entrepreneurial life is started with three years of experience to twenty years. Most of them are diploma holders and ITI certified. Very few are the graduates. Seventy two percent of them were working in some industries before starting their business. Ninety percent of them are married and blessed with children.

Table 0.1: The level of self efficacy of the entrepreneurs

Criteria	Mean	Std. Deviation	Total Score	Observed Score	Percentage
Search	3.8959	0.30568	208	204	98.02
Planning,	3.3488	0.53582	208	175	84.13
Marshaling	3.2595	0.60113	208	154	74.03
implementing personal	2.8017	0.48861	208	146	70.19
implementing financial	3.0479	0.79694	208	159	76.44
Average			1040	838	80.57

From the percentage score of the Entrepreneurial Self Efficacy statements (Table 0.1), it is inferred that their search seeks highest score and their planning ability followed. Marshaling is the organizing or lining up the business activities which are highly connected to the implementation of the plan has got bit less percentage since the managing contingencies towards the situations handling and the implementations in the part of the personal and financial aspects are moderate. This calculation indicates that the Entrepreneurial self efficacy is good (80.57) in overall taken entrepreneurs.

Table 0.2: The relationship between Entrepreneurial Self Efficacy and Intension in Continuation of Business.

Correlations								
		Search	Planning	Marsha ling	Implementing Personal and Financial	Passion towards their business	Innovative and creative ideas	Retaining business
Search	Pearson Correlation	1	.039	.107	-.022	.168*	.121*	.180*
	Sig. (2-tailed)		.638	.194	.788	.040	.041	.031
	N	52	52	52	52	52	52	52
Planning	Pearson Correlation	.039	1	.027	.056	-.087	-.041	.253*
	Sig. (2-tailed)	.638		.745	.497	.289	.621	.021
	N	52	52	52	52	52	52	52
Marshaling	Pearson Correlation	.107	.027	1	-.086	-.086	.030	.052
	Sig. (2-tailed)	.194	.745		.295	.293	.713	.125
	N	52	52	52	52	52	52	52
Imp. Personal and Financial	Pearson Correlation	-.022	.056	-.086	1	.160	.029	.149*
	Sig. (2-tailed)	.788	.497	.295		.051	.726	.042
	N	52	52	52	52	52	52	52
Passion towards their business	Pearson Correlation	.168*	-.087	-.086	.160	1	.088*	.053
	Sig. (2-tailed)	.040	.289	.293	.051		.049	.520
	N	52	52	52	52	52	52	52

Innovative and creative ideas	Pearson Correlation	.121*	-.041	.030	.029	.088*	1	.085
	Sig. (2-tailed)	.041	.621	.713	.726	.049		.304
	N	52	52	52	52	52	52	52
Retaining business	Pearson Correlation	.180*	.253*	.052	.149*	.053	.085	1
	Sig. (2-tailed)	.031	.021	.525	.042	.520	.304	
	N	52	52	52	52	52	52	52
*. Correlation is significant at the 0.05 level (2-tailed).								

The table 0.2, expresses that the Entrepreneurial Self Efficacy of the entrepreneurs correlated with the intension of continuation of their business. The variables like search of the business ideas positively correlated with Passion towards their business, Innovative and creative ideas and Retaining business. Planning business activities and implementing the plans in personal and financial are positively correlated with retaining the business. Entrepreneurs' passion in their business is related with innovation and creativity in business.

Conclusion

Entrepreneurial Self Efficacy is a construct that measures a person's belief in their own abilities to perform on the various skill requirements necessary to pursue a new venture opportunity. In this study it is identified that TANSIDCO entrepreneurs are good in their self efficacy and they are have the intension of continuing the business. The study handled to get the insight and the impact of the Entrepreneurial Self Efficacy. This criteria gives the difference between the entrepreneurs and non-entrepreneurs.

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