



# Agenda

- Introduction
- Brain Research
- Self-efficacy
- Construct: Entrepreneurial self-efficacy (ESE)
- Construct: General self-efficacy (GSE)
- Performance
- Discussion and concluding remarks

# Introduction

- Lars Føleide was born 1979 and grew up on the west coast of Norway, formulating big questions from very young age.
- He was only 5 when asking himself what is the purpose of life.
- For many years, Lars settled with the answer of being happy, before revisiting the question as any talented researcher does, when learning about something called Past Life Regression – having developed an interest in hypnosis after watching Paul McKenna performing stage hypnosis in 1993.

# Introduction

- Which marked the beginning of extensive research into the existential, further intensified by access to Internet in 1995, resulting in the simple conclusion of Lars putting People at the center and dedicating his life to Social Entrepreneurship.
- After a mandatory year in the military, Lars did his first Bachelor in Computer Science, followed by a second Bachelor in Marketing. Having international ambitions, he found himself living in Spain and Germany for a year, before moving to Oslo for doing a master in Innovation and Entrepreneurship at University of Oslo.

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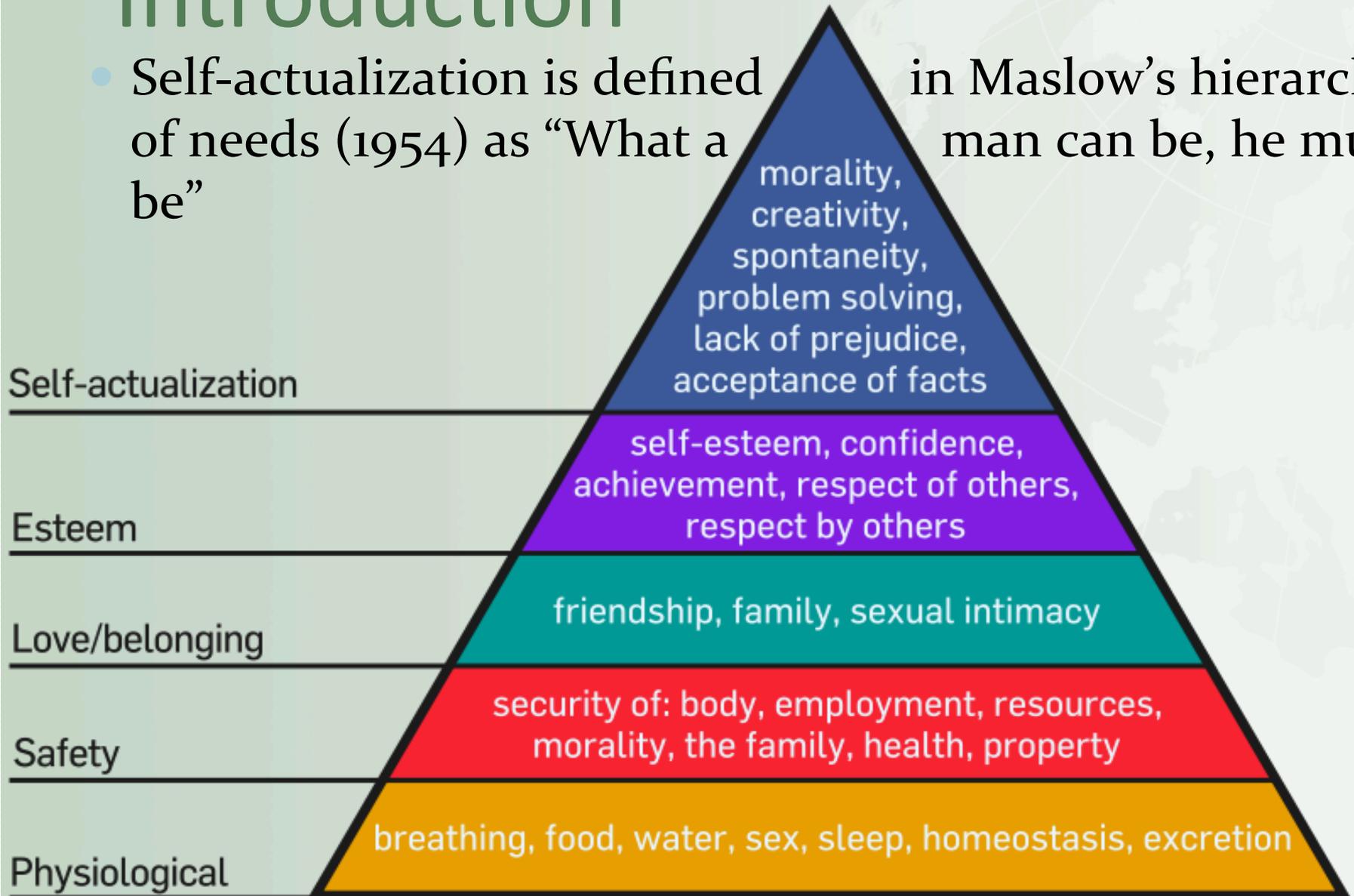
- In 2008, he moved to Bergen for doing an MBA at Norwegian School of Economics, and returned back to Oslo in 2010 for doing a PhD in Innovation and Entrepreneurship at BI Business School.
- Which brought him to Berkeley, California for collecting data, where he narrowed his research towards Social Entrepreneurship, returning back to Norway after 3.5 years and currently exploring the opportunity of becoming a Social Entrepreneurship Honorary Research Fellow at Fil. Dr. Jan-U. Sandal Institute.

# Introduction

- Self-efficacy refers to an individual's belief in their personal capability to accomplish a job or a specific set of tasks (Bandura 1997).
- Higher self-efficacy have been found to be positively correlated with performance
- Should the employer find high levels of self-efficacy, then a successful career is also more probable
- Self-efficacy build on personal past experiences of mastery, focusing on the person's assessment of their ability perform specific tasks in relations to goals and standard rather than in comparison with others' capabilities

# Introduction

- Self-actualization is defined in Maslow's hierarchy of needs (1954) as "What a man can be, he must be"



# Brain Research

- Brain researcher and professor at UC Berkeley, Dr. Marian Diamond (88) has concluded with 5 factors that constitute longevity



# Brain Research

- It is the responsibility for each everyone of us to ensure adequate fulfillment of factor for optimal function
- The factors are:
  - 1) Healthy Food
  - 2) Physical Activity
  - 3) Challenges
  - 4) Work Variation
  - 5) Love

# Brain Research



**My Love Affair With the Brain: The Life and Science of Dr. Marian Diamond (Episode 1)**

# Self-efficacy

- *Factors affecting self-efficacy*
  - *Experience*
  - *Modeling*
  - *Social Persuasions*
  - *Psychological factors*

# Entrepreneurial self-efficacy

- Entrepreneurial self-efficacy is a construct measuring a person's belief in their ability to successfully launch an entrepreneurial venture
- Entrepreneurial self-efficacy incorporates both personality and environmental factors and is thought to be a strong predictor of entrepreneurial intentions and ultimately action
- The construct remains empirically underdeveloped and many scholars have called for refinements of the construct
- Most scholars acknowledge the multi-dimensional nature of entrepreneurial self-efficacy construct

# Entrepreneurial self-efficacy

- There are currently inconsistencies in how researchers go about capturing the dimensionality of the entrepreneurial self-efficacy construct
- Unidimensional vs multi-dimensional
- The multi-dimensional nature of the entrepreneurial self-efficacy construct was empirically confirmed by Mueller and Goic (2003), finding that individual's level of entrepreneurial self-efficacy varied by each of the four phases of the venture creation process model (searching, planning, marshaling and implementing)

# Entrepreneurial self-efficacy

- Sampling
  - University students
  - Existing entrepreneurs and/or small business owners
- Nascent entrepreneurs are individuals who have yet to start a new business. They have the desire to start a venture, devoting time and energy to specific activities that might enable them to realize this desire

# General self-efficacy

- Without experience as an entrepreneur, it is difficult to assess if one possess the personality traits, skills and knowledge which is required for succeeding entrepreneurially
- Likewise, when asking a successful entrepreneur to assess his personality traits, skills and knowledge – it remains a challenge getting unbiased answers when the entrepreneur evaluates personal qualities attributing to his success
- Several scholars are of the opinion that it is not necessary to have a domain-specific entrepreneurial self-efficacy construct, and rather advocate the use of a general measure of self-efficacy

# General self-efficacy

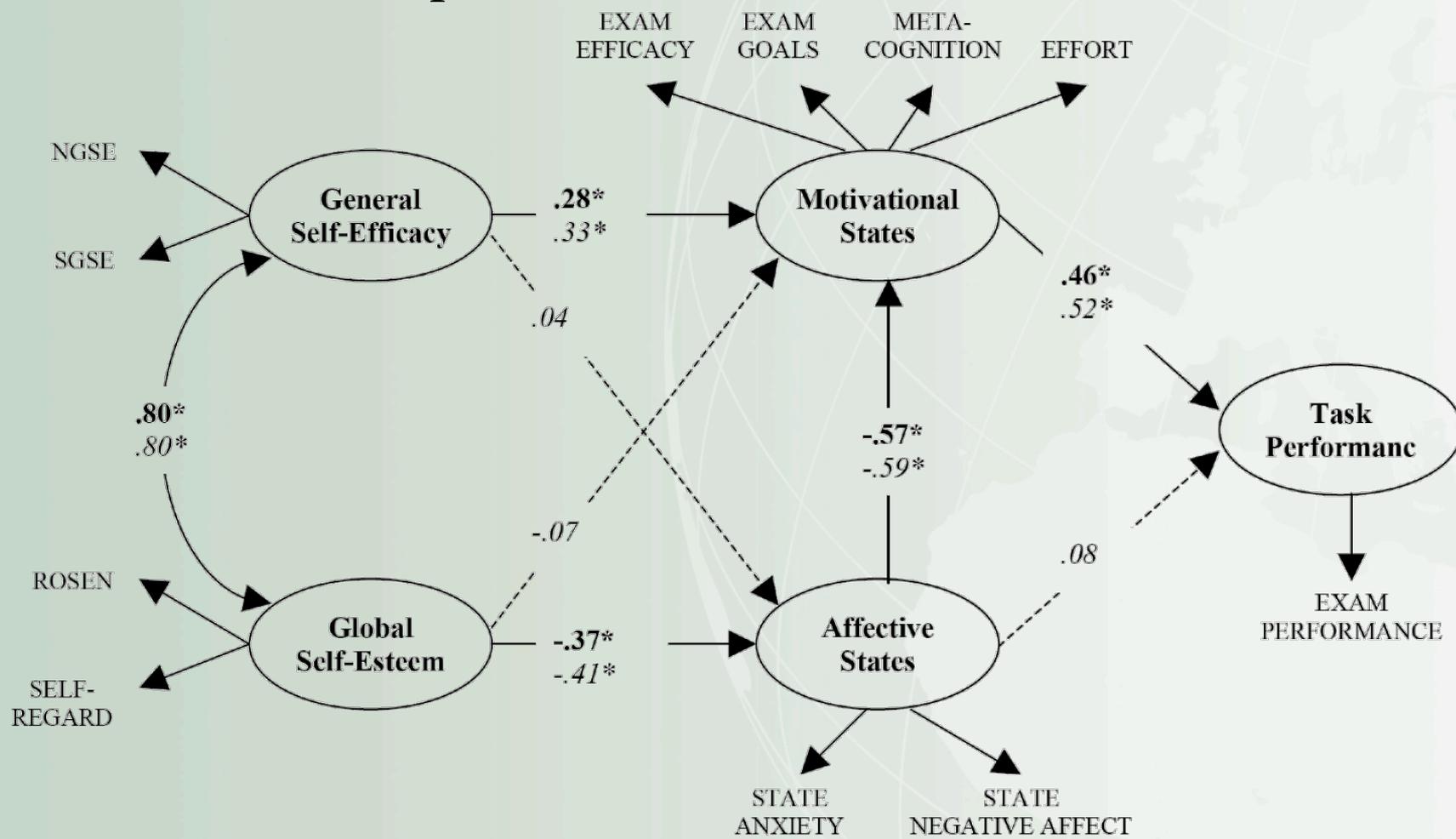
- High academic performance, well-developed social abilities and delivery of satisfying work-results indicate high levels of general self-efficacy
- Chen et al. (1998) developed an entrepreneurial self-efficacy scale, designed to measure entrepreneurial roles and tasks across five distinct dimensions:
  - marketing
  - innovation
  - management
  - risk taking
  - financial control
- business founders had higher self-efficacy in *innovation* and *risk-taking* than did nonfounders

# General self-efficacy

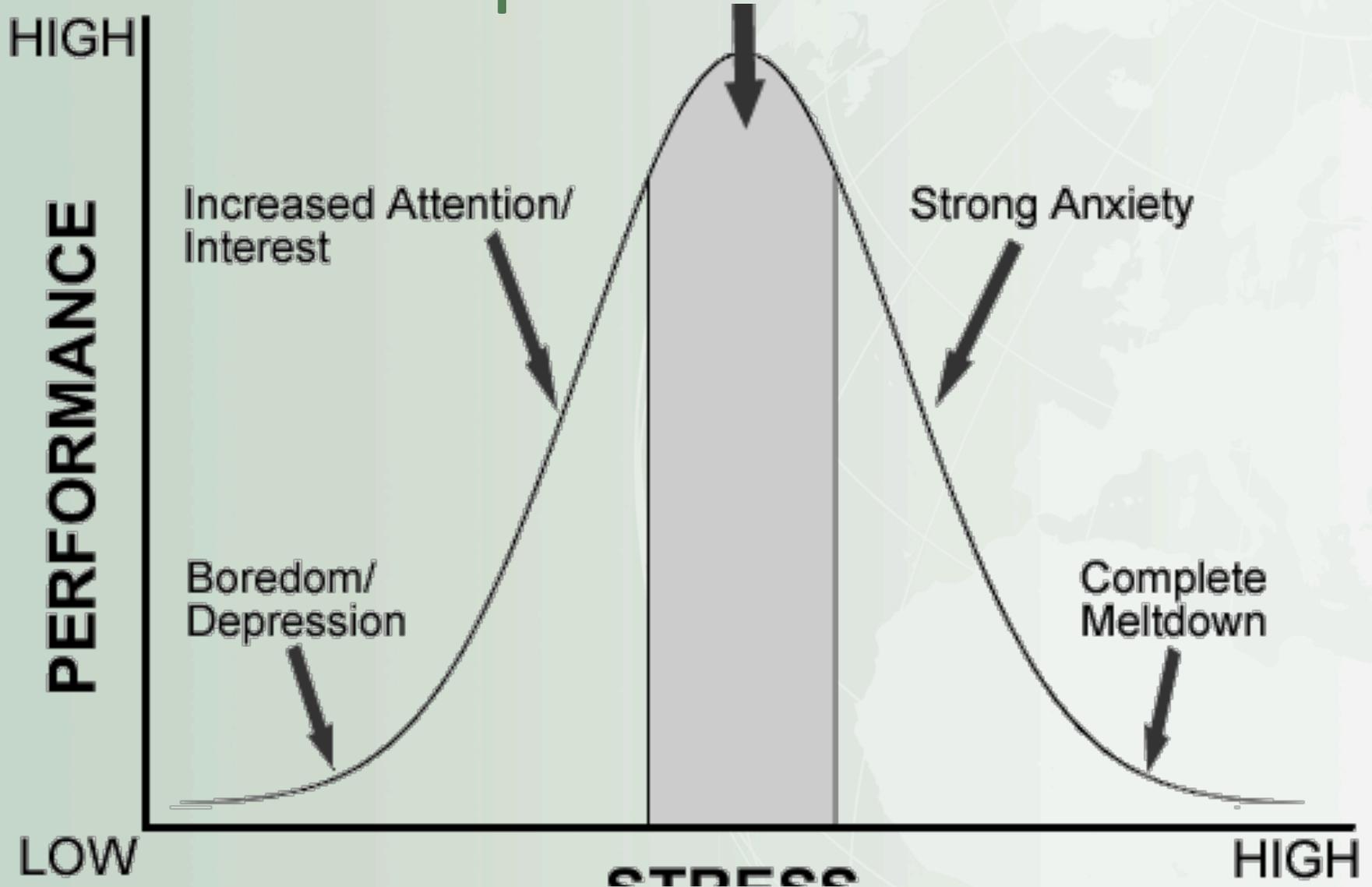
- The general self-efficacy construct will serve as a better measure for identifying possible born globals in areas like information technology and biotechnology (i.e. Google)

# Self-efficacy and performance

- It has been found that general self-efficacy is positively related to work performance



# Stress and performance



# Discussion and conclusions

- The goal have been to explore the concept self-efficacy and how it relates to entrepreneurial performance, with the aim of establishing how this personal attribute can be measured and used to predict entrepreneurial success.
- Chen et al. (2004) showed in their study that general self-efficacy is positively linked with performance, while more recent research show that higher levels of self-efficacy is not necessarily purely beneficial.
- Markman et al. (2005) find that those who undertake the daunting task of creating new ventures are more perseverant and more efficacious than those who work as employees. The study also found an increased tendencies to engage in regretful thinking.

# Discussion and conclusions

- Hmieleski and Baron (2008) found in their study that the effects of high entrepreneurial self-efficacy on firm performance were positive when combined with moderate optimism, but negative when combined with high optimism - in dynamic environments.
- Research have come a long way in identifying personal attributes and competences for predicting entrepreneurial performance and success, but still much work remains to develop a tested, reliable, validated and applicable framework for accurately assessing the outlook of an entrepreneur.

# Thanks for your attention!

- Feel free to ask questions... 