

# Entrepreneur Self-Efficacy Influence of Interest to Students For Entrepreneurship The Role of Gender Differences Moderation

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**Abstract**— Phenomenon at present shows that students who choose a career as an entrepreneur is very high, self-efficacy as a determinant that predispose a person to perform certain tasks without considering whether the destination is reached or not be the basis of student choice of a career as an entrepreneur. This study aims to find and explore the influence of entrepreneur self-efficacy against interest of students of economic faculties in Surabaya and how the role of moderating variables of gender differences in the relationship to the two variables. This research includes is (X) entrepreneurial self-efficacy as independent variable, interests entrepreneurship as dependent variable (Y) and gender differences as moderator variable (Z). 314 students as respondents have been sampled by the method of purposive sampling. The results showed that there was a significant effect on the entrepreneurial self efficacy interest of students and gender differences proved to be moderating variables that influence these relationships. The implications of this research are needed as a student entrepreneur development unit of media and communication forum for students in preparation for career development as an entrepreneur. Design curriculum that facilitates entrepreneurship courses more focused on the creation of community and communication between entrepreneurs and students. The learning process in the entrepreneur classroom, especially students of economic faculty's necessary effort to change their mindset-oriented aspects of a career in the company.

**Key words :** entrepreneurial self-efficacy, student interest, gender and higher education

## I. INTRODUCTION

Recently, there has been a phenomenon showing that there is an increase of women choosing their careers as an entrepreneur (De Bruin, Brush and Welter, 2006, in Gupta, et. al 2009). However, the data were found empirically that in various countries the number of male entrepreneurs is still doubled or greater than that of female entrepreneurs (ACS, Arenius, Hay and Minniti, 2005 in et. al Gupta (2009). It is based on the existence of society knowledge that entrepreneurship is the work for masculine. Therefore, it is more suitable for male than for female.

There have been various studies conducted to explore the various factors that can influence and encourage the person to get involved in the entrepreneurial world. Referring to the results of those studies, there are several variables that can

affect a person to be interested in entrepreneurship, including the self perception. One of the concepts which is believed to affect perception of self interest for self-employed person include self-efficacy (Kristiansen and Nurul, 2004; Boyd and Vazikis, 1994; Zhao, 2005 in Mueller and Dato-On, 2008, Linan and When Cen, 2006). Self-efficacy is a psychological statement that describes a person's belief in executing a particular task (Bandura, 1977 in Kristiansen and Nurul, 2004).

On the contrary, Ryan (1970) in Kristiansen and Nurul, 2004 state that self-perception affects the interest of someone to do something. In addition, it is also argued that self-efficacy affects a person to perform certain tasks without considering whether the goals/objectives are achieved (Cromie, 2000). It can be concluded that a person acts as driven by the belief that he has the ability/competence to carry out the task, not because of whether they have ability/competence they have.

Besides the self-perception, the study of interest for entrepreneurship is often associated with gender differences. As elaborated in earlier, the choice of entrepreneurship is more dominated by men than women. Scherer (1990), Mueller, 2004, in Mueller, 2008 stated that women who decide to set up a business are still far below men. It can be explained that men have the confidence that they are able to carry out tasks as entrepreneurs, such as developing unique ideas, increase venture capital, hiring/coordinates employee. Thus, it can be explained that the perception of self, especially the belief of having the ability to perform a task between men and women are different and it can affect one's interest to entrepreneurship. Based on the results of the previous researches, many researchers have been involved in doing the analysis of Entrepreneur Self-Efficacy Influence of Interest to Entrepreneurship, as conducted by the faculty of Economics in Surabaya. The research is related to Role of Gender Differences Moderation.

In connection with the effort of the study related to gender and perception, this study attempts to explore whether entrepreneurial self-efficacy affects the interest of entrepreneurship and how the role of moderating variables on gender differences have a relationship with these two

variables in the context of the economics faculty students in Surabaya.

## II. THEORITICAL FRAMEWORK AND HYPOTHESES

### A. *Self Efficacy*

It can be described that self-efficacy is part of social learning theory that refers to a person's perception of confidence to perform tasks in a certain extent. In addition, self-efficacy is one of self-perception of factors that influences the achievement of tasks (Bandura, 1992 in Schmitt, 2008). Referring to the opinion of Bandura, it can be implied that self-efficacy does not only describe the beliefs of a person but even more broadly, it is a component of one's own motivation, which in turn, can encourage a person's desire to achieve goals in accordance with their competence. Individuals with high self-efficacy will be confident of his ability and look at the difficulties faced as a challenge rather than as a threat. For that reason, they have a high commitment to completing tasks and responsibilities. On the contrary, a person who has low self-efficacy tends to have low commitment in completing tasks and responsibilities.

Finally, self-efficacy can affect several things such as 1) the task chosen to be implemented; someone will likely do the tasks which are believed capable of doing. (2) The effort and attention given to a person when finish the task (3) the extent to which a person does not easily give up when faced with various difficulties and (4) the achievement of the work (Bandura, 1982 in Pollack and Lilly (2008).

### B. *Indicators of Self Efficacy*

According to Bandura (1997) cited by Eka Adyitawati (2001), the dimensions of Self Efficacy is described as the following.

**Magnitude:** an understanding of the extent to which a person has the ability to complete difficult tasks. If someone has a high magnitude, he will perceive that he is able to cope and carry out a difficult task. On the other hand, when someone's magnitude is lower, he will perceive that he is only able to perform simple tasks.

**Generality:** it is the extent to which a person's ability when solving problems in all conditions. Individuals who have high-generality are able to perform tasks and solve problems in all conditions. As for individuals who have low generality, they will perceive that they are only able to carry out the task with certain conditions.

**Strength:** the extent to which respondents' belief in the ability to carry out the task. Someone with high strength will have a high level of self confidence. For that reason, they are not easily frustrated when faced with difficult problems. On the contrary, individuals who have low levels of strength will have a low level of confidence.

### C. *Career Self-Efficacy*

Actually, the concept of self-efficacy can be implemented in the context of individual career development and career

choice differences between men and women. For example, Hackett and Betzz (1981) in Mueller (2008), in their study, stated that the expansion of self-efficacy theory into the domain of career can explain how a person's efficacy expectations can be developed differently between men and women. In fact, career self-efficacy differences between men and women are caused by differences in social roles between men and women. Last of all, it is described that self-efficacy differences between men and women can explain the reason why women become "under-represented" jobs in fields dominated by men.

The results of recent research show that among women, career self-efficacy is higher for occupations. Such occupations are traditionally for female compared to jobs that are traditionally for male Layton (1984) in Mueller, 2008. In the same time, Clement (1987) in Mueller (2008) explains that the student career self-efficacy was lower than students for jobs that traditionally female jobs.

### D. *Entrepreneurial Self-Efficacy*

Some experts claim that self-efficacy influences the process of establishing a new business. According to the Boyz and Vizikis (1994) in Mueller (2008), the shaping of interest in entrepreneurship is actually based on the individual's perception of the results of his efforts, whether it will succeed or fail. Individuals who have high entrepreneurial self-efficacy will certainly have high interest in entrepreneurship as well. Even, Mueller and Goic (2003) stated that entrepreneurial self-efficacy is very useful for measuring how high the confidence of one's ability of someone, believes that he will successfully perform the tasks as an entrepreneur.

There are several factors that influence the entrepreneurial self-efficacy. These can be indicated such as a person's personality, values - values and economic conditions. Furthermore, entrepreneurial self-efficacy is influenced also by the various local or regional aspects that will ensure individuals to gain experience and both positive and negative role models. By doing so, they can either increase or decrease the confidence to try (entrepreneurial self efficacy).

### E. *Entrepreneurial Self Efficacy Dimension*

The dimensions of entrepreneurial self-efficacy were developed based on the tasks that must be performed by an entrepreneur. For example, Mueller and Goic (2003) developed a dimension of entrepreneurial self-efficacy by looking at the duties of an entrepreneur from the process model. According to them, the task of an entrepreneur includes four phases of activities as follows:

First of all, searching that is the task of entrepreneurs to develop innovative and unique ideas as well as identify the various opportunities that exist to establish a business. Planning is an entrepreneurial task that involves planning in a comprehensive new business establishment. At this stage entrepreneurs are trying to bring innovative ideas into a business plan that is deemed feasible. This includes: business location, market size, product specifications, establishment

costs, operating costs as well as identification of resources needed for established businesses to expand.

Secondly, marshaling that is an entrepreneurial task of obtaining and combining the resources necessary to establish a new business. At this stage, it combines entrepreneurial workforce, customers, and capital to established businesses in which all these still exist.

Last of all, implementing that is the entrepreneurial tasks associated with managerial decisions. At this stage, entrepreneurial managers are acting as a corporate executive who conduct activities such as managerial, planning, management, decision making and problem-solving.

#### F. *Entrepreneurial Intention*

Entrepreneurship has been studied using some methods that have been altered from time to time. First of all, some experts thought that interest in entrepreneurship is a function of variable characteristics and demographic characteristics that differentiate one's self-employment and entrepreneurship. For example, David Mc Clelland (1961, 1971) in Kristiansen and Nurul (2004) argued that theory of entrepreneurship is one that sees that the motivation for entrepreneurship. It is, therefore, is a function of individual characteristics and attitudes.

Other factors in the studies are the locus of control, confidence and self-efficacy. Some studies also suggested that interest in entrepreneurship is influenced by personal experiences such as level of education and experience in the past as well as demographic characteristic variables such as age and gender (Krueger, 2000; Mazarrol, 1999; Ryan, 1970 in Kristiansen and Nurul (2004). In addition, Kristiansen (2001) in Kristiansen and Nurul (2004) also explained that the environmental variables such as availability of information, formation of social networks and open access to resources are a variable that affects the interest for entrepreneurship.

The measurement of interest argued that entrepreneurial intention can be done by using a single dimension. This study implements EIQ (Entrepreneurial Intention Questionnaire) as an instrument for measuring interest in entrepreneurship. In reality this instrument has been widely used to determine the extent of one's desire to establish a new business (Linan and Chen, 2006). EIQ consists of six statements had been developed by Linan and Chen (2006).

#### G. *Differences among Factors*

In connection with differences among the factors in entrepreneurial analysis, Ryan (1970) in Kristiansen and Nurul (2004), stated that perception of oneself is the social factor that has a major role in influencing a person's interests. Thus, entrepreneurial self efficacy refers to the individual's perception of confidence to be able to carry out duties as an entrepreneur (Kristiansen and Nurul, 2004). From this, it can be indicated that the higher a person's beliefs on his ability to perform duties as entrepreneurs, the higher the interest for entrepreneurship and vice versa.

In fact, Linan and Chen, 2006 and Kristiansen and Nurul (2004) support the above statement. Therefore, it can be

generalized that there is a positive relationship between Entrepreneurial Self-Efficacy and Entrepreneurial Intention. Entrepreneurs are assumed to be a job that suits men (Mueller, 2009; Gupta, et.all, 2009, Kristiansen and Nurul, 2004; Linan and Chen, 2006). Based on the results of several studies proved that women have an entrepreneurial self-efficacy lower than men when faced with the choice of a career as an entrepreneur intention. This is caused by the limited role of women so that they appear social barriers that limit the activity of women when choosing entrepreneurship. It can be concluded that gender differences would strengthen or weaken (moderating) effect of entrepreneurial self-efficacy on entrepreneurial intention.

Based on the theoretical framework described above, this research raises the hypotheses as the following. First, it is hypothesized that entrepreneurial self-efficacy significantly influences student's interest in entrepreneurship. Secondly, it is hypothesized that gender differences significantly moderate influence the entrepreneurial self-efficacy of student's interest in entrepreneurship.

### III. RESEARCH METHOD

#### A. *Population, Sample, and Sampling*

The population consists of all students of economic faculties in Surabaya in which they were taken by means of non-probability sampling, purposive sampling, where sample members selected in accordance with the criteria. They were in their last year of their study. The advantages of such a method are the speed, ease of information collection and use of cost and less time. The weakness of these methods lies in the ability of this method in generalizing conclusions.

The variables used consist of independent variable, dependent variable and moderating variable. For example the independent variables (X) are entrepreneurial self-efficacy, a respondent's perception of how strong the belief in one's ability to perform duties as an entrepreneur. The indicators used are as follows (Mueller, 2008): Searching, Planning, marshaling, and implementing. To facilitate understanding and further clarify the definition of research, the variables are operationally defined as the following. Independent variables (X), namely: entrepreneurial self-efficacy, a respondent's perception of how strong the belief in one's ability to perform duties as an entrepreneur. Mueller (2008) suggests some variables as the following:

- a. Searching: respondents' perceptions of confidence in his ability to develop new businesses include: the creation of innovative and unique ideas as well as identify the various opportunities that exist to establish a business.
- b. Planning: respondents' perceptions of confidence in the ability of his ability to plan the new venture include: planning a business location, market size, product specifications, establishment costs, operating costs as well as identification of resources needed.
- c. Combine or marshaling: respondents' perceptions of confidence in the ability to acquire and combine the resources needed to establish the ability to combine new

business that includes workforce, customers and capital to established businesses still exist.

- d. Implementing (Application): respondents' perceptions of confidence in the ability of managerial duties.

On the contrary, the dependent variable of interest in entrepreneurship (Y) is an attitude of a person's statements about his desire to develop a career by establishing his own business. In this case, interest in entrepreneurship is measured by a single dimension with the item statement as the following.

- 1) I am ready to do anything in order to become an entrepreneur.
- 2) The choice of my professional career is to become an entrepreneur.
- 3) I will intent to be able to establish and run our own business.
- 4) I desired to establish a business in the future.
- 5) I have serious willingness to establish a new business.
- 6) I have a strong interest to establish my own company someday.

Last of all, they are the moderating variables (Z), namely the gender difference, a difference between the sexes: male and female.

Based on the theoretical background, the research model is built and presented in Figure 1.

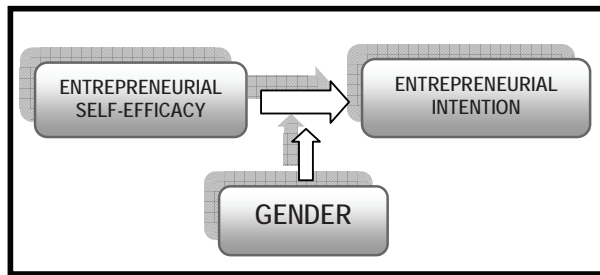


Figure 1 : Research Model

#### IV. DATA ANALYSIS AND DISCUSSION

##### A. Data Analysis

The research instruments of Entrepreneurial Self-Efficacy and Entrepreneurial Intention were valid. The correlations of each item to total score were more than 0,40. The research instrument were reliable. The Cronbach alphas were more than 0,60 (Entrepreneurial Self-Efficacy was 0,88 and Entrepreneurial Intention was 0,84).

Based on the questionnaire, there is general description of respondent's profile as shown in Table 1. The Majority respondents have sex female with percentage 51 percent, while the remaining percentage is man. Most of the respondents came from the management department of achieving 53 percent.

T test based on test results proved that gender differences do not affect the interest in entrepreneurship research respondents. Both women and men do not have differences in terms of interest in entrepreneurship. Although women have multiple roles in society, this does not have a cognitive influence in the decision to become entrepreneurs.

Table 1  
Respondent's Profile

	Frequency	Percent
male	154	49%
female	160	51%
Total	314	100
Departement	Frequency	Percent
Accounting	83	26%
Economics Development	4	1%
Economic	28	9%
Business &Economic	8	3%
Marketing Management	2	1%
Tourism Management	1	0%
Management	165	53%
Business Management	7	2%
Economic Management	4	1%
Financial Management	6	2%
Marketing	6	2%
Total	314	100

. Respondent who participated in this study a number of 314 students of the Faculty of Economics and Business from the private university in Surabaya. Demographic data that can be presented are as follows:

1. Based on the majors, 52.5% of respondents came from the department of management, 26.4% came from the accounting department and the rest coming from the majors manajmen tourism, business management, economics and development studies
2. Based on the semester that followed, the majority of respondents were students sixth semester of 8th semester sejumlah 38.2% and 36.3% number. The rest are students who are disemester 4, 10 and 12.
3. Based on Gender, 51% of female respondents and 49% of respondents male sex. proves that today's woman no longer has when I have to run multiple roles in society. Although entrepreneurship is identical to men's work, in this study that women's ability to self-confidence (self efficacy) to be run as a business activity which affects the entrepreneurial intention.

University of respondent presented in figure 2.

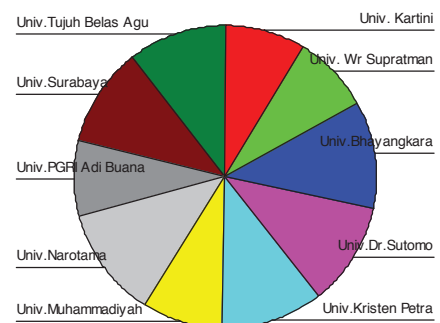


Figure 2 : University Background of Respondent



Statistical analysis techniques used in this study were: Regression analysis with dummy variables to test the role of gender as a variable that affects the relationship between Entrepreneurial Self-Efficacy variable of interest in entrepreneurship. Testing this hypothesis using SPSS software Ver. 12.0

Simple linear regression results show that the Entrepreneurial Self-Efficacy significant effect on the Entrepreneurial Intention, this means that the higher a person's beliefs on his ability to carry out duties as an entrepreneur, the higher the interest for entrepreneurship and vice versa. Further test results with a dummy variable regression shows that gender does not affect the relationship between Entrepreneurial Self-Efficacy and Entrepreneurial Intention.

Table 2  
Regression Analysis Result

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1,004	,221		4,537	,000
MEANX	,802	,060	,603	13,344	,000

Based on simple linear regression results proved that entrepreneurial self-efficacy significantly influence student interest in entrepreneurship faculty of economics and business in Surabaya. This is reflected in the magnitude of the F test score of 178.068 with a significance level below 0.05. Similarly, the t test with a score of 4.357 with a significance of 0.000 (<0.05).

Furthermore, after the different test average independent sample t-test produced scores nilat t for 0453 with a significance level of 0.651 (above 0.05). This shows that the gender issue does not affect the interest of students for entrepreneurship.

#### B. Discussion

The research report a significant finding. As hypothesized in hypothesis H1 that entrepreneurial self-efficacy significantly influences student's interest in entrepreneurship.

As hypothesized that gender not differences significantly moderately influence the entrepreneurial self-efficacy of student's interest in entrepreneurship.

Based on the results of statistical analysis, it is evident that the entrepreneurial self-efficacy significantly affect the interest for entrepreneurship. Entrepreneurial Self Efficacy refers to the individual's perception of confidence to be able to carry out duties as an entrepreneur (Kristiansen and Nurul, 2004). The higher the respondent's belief in his ability to perform duties as entrepreneurs, the higher the interest for entrepreneurship and vice versa. The results of this study support the claim. This study is also in line with the results of research conducted by Linan and Chen, 2006 and Kristiansen and Nurul (2004) Thus hipotesi 1 which states: there is a positive relationship between Entrepreneurial Self-Efficacy with Entrepreneurial Intention (interest in entrepreneurship) attested.

T test based on test results proved that gender differences do not affect the interest in entrepreneurship research respondents. Both women and men do not have differences in terms of interest in entrepreneurship. Although women have multiple roles in society, this does not have a cognitive influence in the decision to become entrepreneurs. This proves that today's woman no longer has ketratasan when I have to run multiple roles in society. Although entrepreneurship is identical to men's work, in this study terbukti that women's ability to self-confidence (self efficacy) to be run as a business activity which affects the entrepreneurial intention.

#### V. CONCLUSIONS

Based on exposure to the above discussion can be explained that gender issues do not affect one's interest to entrepreneurship. The Entrepreneurial self-efficacy significantly affect the interests entrepreneurship. Thus, whether women or men if you have high self confidence towards entrepreneurship skills will positively affect the interest in entrepreneurship.

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