

The Influence of Entrepreneurial Experience on General Entrepreneurial Passion and Entrepreneurial Self Efficacy

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ABSTRACT

Many studies examine the relationship between entrepreneurial passion and entrepreneurial self-efficacy. But those studies have not been paid attention on the role of entrepreneurial experiences in that relationship. This study focuses on the relationship between entrepreneurial experience and entrepreneurial passion as well as entrepreneurial self-efficacy. These hypotheses propose that entrepreneurial experience positively influence general entrepreneurial passion and entrepreneurial self-efficacy. This study also proposes that entrepreneurial self-efficacy mediates the relationship between experience and entrepreneurial self-efficacy. Using 236 housewives in Banyumas for the sample, the results show that one of those hypotheses are supported. Entrepreneurial experience influences self-efficacy but not influence entrepreneurial passion. It implies that experience is an important key for increasing entrepreneurial self-efficacy. Entrepreneurial passion influences self-efficacy.

Keywords: Entrepreneurial experiences, general entrepreneurial passion, entrepreneurial self-efficacy.

1. Introduction

Self-efficacy is individual's perception of her/his ability for coping the problem related her/his tasks (Bandura, 1997). Entrepreneurial self-efficacy related one's belief of their capability to run a business successfully (Cardon and Kirk, 2015). Many research has been focused on some antecedents of entrepreneurial self-efficacy (Newman, Obschonka, Schwarz, Cohen & Nielsen, (2019). Zhao, Seibert and Hills (2005) posit that experience influences entrepreneurial self-efficacy. Many studies still focused on the effect of experience on entrepreneurial self-efficacy, but still neglected that effect on entrepreneurial passion. Cardon, Wincent, Singh, and Drnovsek (2009) posit that external stimuli such as objects, activities, and context will influence the affection. So, this research propose that experience of business will influence on entrepreneurial passion.

The aims of the study are to examine the direct effect of entrepreneurial experience on entrepreneurial self-efficacy and entrepreneurial passion. This study also examines the mediation effect of entrepreneurial passion on the relationship between experience ang entrepreneurial self-efficacy.

2. Literature Review

Entrepreneurial passion is a fire for individual to persistently conduct some activities related to her/his business (Cardon, Wincent, Singh, & Drnovsek, 2009). Entrepreneurial passion refers to intense positive emotion with arousal feeling toward an object, activities related to start business or run a business. This research has purpose to examine the effect of entrepreneurial experiences on entrepreneurial passion. This experience measured by the length of time individual runs their business.

2.1 The effect of Entrepreneurial experience on entrepreneurial self-efficacy

Henry, Orser, Coleman and Foss (2017) stated that woman has less experience in entrepreneurship than man has. These less experiences make woman has less self-efficacy than man has. Zhao, Seibert and Hills (2005) argue that entrepreneurial experiences increase self-efficacy. Along with the experiences, individuals will get various learning.

H1: Entrepreneurial experience positively affect entrepreneurial self efficacy.

2.2 The effect of Entrepreneurial experience on entrepreneurial passion

Cardon, Wincent, Singh, and Drnovsek (2009) state that passion is intense emotion. When individual's entrepreneurial engagements are maintained, he/she will experience positive emotion. These positive emotions will be stored and can increase individual's passion (Cardon, Wincent, Singh, and Drnovsek, 2009). Passion is positive affection that can be changed by external stimuli and be stored cognitively then can be retrieved (Damasio, 2003).

Based on above theory, it implies that experience of entrepreneurship can influence the level of entrepreneurial passion. That emotions are influenced by external stimuli that experienced by individuals. The accumulated emotions result of that stimuli are stored and influence the passion.

H2: Entrepreneurial experience positively influence entrepreneurial passion.

2.3 The mediation of entrepreneurial passion on the relationship between entrepreneurial experience and entrepreneurial self-efficacy

Entrepreneurial passion is an energy that can generate new venture creating process. Based on Social Cognitive Theory. the first step of the new venture creation process is entrepreneurial intention (Neneh, 2020). Passion is an energy for individuals to motivate reaching their goals and doing activities. Passion can stimulate individuals to initiate doing activities. For initiating business, individual will try to generate their skill and knowledge. So, by increasing the skill and knowledge, self-efficacy will increase too. It implies that entrepreneurial passion influences entrepreneurial self efficacy. Because of the entrepreneurial experience effect on entrepreneurial passion and thus, the effect continuing on entrepreneurial efficacy, so it indicated that entrepreneurial passion has a role as mediation effect in those relationships.

H3: Entrepreneurial passion is a mediation effect of relationship between entrepreneurial experience and entrepreneurial self-efficacy

3. Research Methodology

3.1 Sample

This study use 236 housewives in Kabupaten Banyumas for the sample. The method for picking the sample is convenience sampling. We collected data by distribute the questionnaire to respondents. We distribute questionnaires by online system.

3.2 Measures

Three variables are measured in this study. Entrepreneurial passion is measured using instrument from Vallerand, Mageau, Ratelle, Leonard, Blanchard, Koestner & Gagne (2003). Entrepreneurial self efficacy is measured using instrument from Chen, Greene & Crick (1998). Experience is measured using the length of the individual have run his/her business, the we categorize the experience into four types in the order of the length of years. Scale of 1 is 0 year of the length experiences. Scale of 2 is 1-5 years of the length of experience. Scale of 3 is 6-10 years of the length of experience. Scale of 4 is 11-20 years of the length of experience. Scale of 5 is more than 20 years of the length of experience.

4. Results

Table 1 shows the result of this study.

Table 1. Regression analyses of the effect experience on entrepreneurial passion and entrepreneurial self efficacy

	Entrepreneurial Passion		Entrepreneurial Self Efficacy	
	β_1	Sig.	β_2	Sig.
Experience	0.028	0.673	0.152	0.019
Entrepreneurial Passion			0.609	0.000

** Sig: 0.05

Based on result analyses, this study found that experience positively influence entrepreneurial self-efficacy. Hypothesis 1 is supported. It is indicated by the significancy value is below 0.05 (0.019).

Moreover, this study also found that entrepreneurial passion positively influence entrepreneurial self-efficacy. It is shown by significancy value that is below 0.05 (0.000). Hypothesis which proposes that entrepreneurial experience positively entrepreneurial passion is not supported. Hypothesis 2 is not supported. So, hypothesis 3 that states entrepreneurial passion as mediation the relationship between experience and entrepreneurial self-efficacy is not supported.

5. Discussion

This research is consistent with many previous research that found that entrepreneurial experience positively influences self-efficacy. Experience makes individual have more knowledge and skill. these knowledge and skill make individuals have more self-efficacy.

This research also found that entrepreneurial general passion positively influences entrepreneurial self-efficacy. Individuals that have entrepreneurial passion, they will be curious about skill and knowledge of business. So, their entrepreneurial self-efficacy increase.

Unfortunately, level of experience does not affect on entrepreneurial passion. So, entrepreneurial passion is not the mediation of the relationship between experience and entrepreneurial self-efficacy.

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