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EXPLAINING ENTREPRENEURIAL INTENT AND BEHAVIOR: MODERATING EFFECTS OF EFFICACY AND CONTROL BELIEFS (SUMMARY)

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SUMMARY

EXPLAINING ENTREPRENEURIAL INTENT AND BEHAVIOR: MODERATING EFFECTS OF EFFICACY AND CONTROL BELIEFS

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Principal Topic

Self-efficacy (Krueger et al., 2000; Zhao et al., 2005) and locus of control (Evans & Leighton, 1989; Schiller & Crewson, 1997) are important in explaining entrepreneurial intentions and behavior. Further, research demonstrates that entrepreneurs and non-entrepreneurs perceive risk differently (Baron, 1998; Palich & Bagby, 1995). Integrating these ideas and building on Bandura's proposal that "control beliefs affect the extent to which efficacy beliefs shape outcome expectancies" (1997:23), Monsen and Urbig (2009) developed the *Theory of Mixed Control*, which states that control beliefs moderate the influence of efficacy beliefs on risk perceptions..

Method

Using 3 samples and 3 sets of survey measures, we test the hypothesis that the interaction of self-efficacy and control beliefs explains not only risk perceptions, but also entrepreneurial intentions (likelihood to start a business) and nascent entrepreneurship (starting a business). In Study 1, we analyze the effects of entrepreneurial self-efficacy (Sequeira et al., 2005; Mueller & Dato-on, 2008) and general control beliefs (Chen et al., 1998; Levenson, 1974) on entrepreneurial intentions of 238 university business students. In Study 2, we examine the effects of work-related self-efficacy (Chen et al., 2001; Urbig, 2009) and work-related control beliefs (Levenson, 1974) on entrepreneurial intentions and nascent entrepreneurship of 64 medical professionals. In Study 3, we compare 461 nascent entrepreneurs with a control group of 301 individuals in the PSED 1 dataset, a representative sample of the U.S. adult population (Gartner et al., 2004; Schjoedt & Shaver, 2007) and test the effects of entrepreneurial self-efficacy (Schjoedt, 2008) and general control beliefs (Schjoedt & Shaver, 2009).

Results and Implications

In all 3 studies, we find significant support for our hypothesis that the interaction of self-efficacy and control beliefs helps to explain entrepreneurial intentions and nascent entrepreneurship behaviors, for students and working professionals. Therefore, educators should not only train entrepreneurship skills, but should specifically train skills that enable (or at least give the illusion of) planning and control despite inherent conditions of entrepreneurial uncertainty.

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