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THE MEDIATING ROLE OF ENTREPRENEURIAL SELF-EFFICACY IN THE RELATIONSHIP BETWEEN PERCEIVED SOCIAL SUPPORT AND VENTURE EMERGENCE

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Principal Topic
Social support has been found to be widely used and critical during early venture creation. Much research has indicated that nascent ventures benefit from the entrepreneur’s social ties and actual receipt of support from others. Far less attention has been paid on the entrepreneur’s perception of social support and how this perception influences venture formation processes. The lack of research on entrepreneurs’ perceived social support is surprising given that perceived social support is such a prominent concept in the social support literature in various fields. Drawing from the social support literature and social cognitive theory, we fill this gap by examining the relationship between nascent entrepreneurs’ perception of social support and venture emergence and the mediating role of entrepreneurial self-efficacy on this relationship.

Method
The data drawn from Wave 1 and 2 of the US Panel Study of Entrepreneurial Dynamics (PSED 1), a nationally representative sample of early-stage business owners in the United during 1998-2003, were used to test our hypotheses (n = 435). The dependent variable, measured in Wave 2, is nascent entrepreneurs’ reported status of their start-up effort as operating business, still active, inactive, or no longer worked on. Independent variables, based in Wave 1, include nascent entrepreneurs’ perception of social support (three indicators) and entrepreneurial self-efficacy (three indicators). We used structural equation modelling in R to test our hypotheses.

Results and Implications
We found that nascent entrepreneurs’ perceived lack of social support was negatively related to venture emergence and entrepreneurial self-efficacy fully mediated this relationship. Our study makes several contributions to the literature. First, we clarify the relationship between perceived social support and venture emergence and the mechanism by which this relationship occurs. Second, we provide empirical support for the social cognitive theory by verifying the relationship between perceived social support and entrepreneurial self-efficacy and the mediating role of entrepreneurial self-efficacy in the relationship between perceived social support and venture emergence. Finally, we reinforce the cognitive perspective in entrepreneurship by showing how entrepreneurs’ perceptions of their own function and environment interact to shape venture creation outcomes.

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