THE EFFECTS OF START-UP FACTOR (SELF-EFFICACY) ON BUSINESS PERFORMANCE

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Abstract

The study examined relationship between self-efficacy and business performance using 500 SMMEs in Gauteng province, South Africa. Questionnaire was used to collect data from 500 SMMEs owners. The findings from the survey were modelled through a categorical regression model with business performance as dependent variable. The level of significance of the fourteen variables out of eighteen variables suggests that self-efficacy be classified as the strongest predictor of business performance. These findings, depicting the magnitude of the business environment in the study area, clearly confirm the positive impact of self-efficacy on business performance.

Keywords: Self-Efficacy; Business Performance; Entrepreneur

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1. Introduction

Bandura (1982) identifies self-efficacy as one of the most theoretically and practically useful concept formulated in modern psychology. According to Bandura (1982), self-efficacy is a self-regulatory motivational variable that is concerned with judgments of how well one can execute a course of action required to deal with a prospective situation. It involves beliefs in one's capabilities to mobilise the motivation, cognitive resources and course of action needed to meet the given situational demands. Self-efficacy impact on individual's emotional reaction thought. Cherian & Jacob (2013) identified self-efficacy as a function of self-beliefs where individuals accomplish tasks which means even high perseverance associated with self-efficacy will lead to increased performance. It is a good measurement to predict behavioural outcomes if compared with other motivational construct. Bandura (1986) posits that self-concept reflects people's beliefs in their personal efficacy and that there are factors that influence individual's general outlook of life like self-esteem.

An entrepreneur who is overconfident shows that he or she is not in touch with reality. Overconfidence is connected to arrogance, which combines excess confidence in oneself with gross underestimation of risk (Vancouver, 2002). Entrepreneurs should always pay attention to feedback from the environment to ensure that efficacy levels are appropriate (Carsrud & Brannback, 2009). This will increase in business performance.

According to Bandura (1986), self-efficacy refers to individuals' assessment of their competencies and their ability to overcome adverse conditions and obstacles and the belief that their future actions will be successful. The factors that could influence one to become an entrepreneur are many and consist of various combinations of personal attributes, traits, background, experience and disposition (Bandura, 1982). One of these personal attributes, entrepreneurial self-efficacy, appears to be a particularly important antecedent to new venture intention. Entrepreneurial self-efficacy is a construct that measures a person's belief in their ability to successfully launch an entrepreneurial venture. Self-efficacy refers to an individual's belief in his or her personal capability to accomplish a job or a specific set of tasks (Bandura, 1997).

A business owner's belief in his/her capabilities to successfully achieve the tasks of entrepreneurship has a positive effect on business performance regarding perceived profitability, revenues, growth, meeting expectations and overall success. As the pace of change continues to accelerate globally, the success of community enterprises depends on the innovation of entrepreneurs. Yet the Global Entrepreneurship Monitor (GEM, 2011) reported South Africa as performing low (9.1%) in entrepreneurship, with total entrepreneurial activity (TEA) below the average of comparable economies around the world. This remains a concern and feeds the debate around the factors that impact on entrepreneurial performance.

South Africa's low ranking in global competitiveness is a source of national concern. This means that South Africa has the smallest proportion of entrepreneurs compared with other developing countries. This is a problem in a country where entrepreneurial ventures account for one-third of total employment. The unemployment rate in post-apartheid South Africa remains extremely high, with unemployment especially among black South

Africans worsening since 1994 (GEM, 2011). With the increase in unemployment, which is in part due to the apartheid legacy, current government policies are increasingly being questioned. The GEM (2010) reported South Africa as ranking 110th out of 135 countries in terms of the unemployment rate.

It is therefore necessary to understand how the entrepreneurial start-up factors (motivation, culture, self-efficacy, intention and entrepreneurial orientation) affect business performance - in other words, there is a need to find out to what extent the entrepreneurial start-up factors affects performance of business. Therefore, the study will only look at how self-efficacy as one of start-up factors impact on business performance.

According to literature, factors that affect a person's decision to start a business include culture, motivation and self-efficacy (Antonic & Hisrich, 2003).

This study aimed to examine the effect of self-efficacy on business performance. Some entrepreneurship scholars content that there is no entrepreneurship without the entrepreneur and that it remains worthwhile to study entrepreneurship at individual level using attribute based approach, e.g. self-efficacy.

This paper is structured in the following manner: section 1 presented the research background and aim of the study. The next section, 2 presents literature review on self-efficacy and business performance. The section further elaborates the constructs used in this study and outlines proposed hypotheses. Section 3 presents the research methodology and finally, section 4 concludes the paper with a discussion of the findings.

2. Literature

2.1 Business performance

Examining the performance of small and medium enterprise can be problematic especially when objective measures of performance are not available. Cooper and Gascon (1992) highlight individual factors influencing performance as experience, education, occupation of parents, gender, race, age and the entrepreneur's goals. In addition, other studies highlight financial measures and others what is normally termed non- financial measures.

Some studies suggest a combination of financial and non-financial measures offers more comprehensive evaluation on a firm's performance (Li, Huang, & Tsai, 2009) as financial measures alone may not provide an accurate assessment of business performance. Subjective non-financial measures include indicators such as perceived market share, perceived sales growth, customer satisfaction, loyalty and brand equity (Li et al, 2009). Murphy, Trailer and Hill (1996) examined 51 published entrepreneurial studies using performance as the dependent variable

and found that the most commonly considered dimensions of performance were related to efficiency, growth and profit. Efficiency comprises some financial measures like return on investment and return on equity; growth focuses on increase in sales, employees or market share; and profit includes return on sales and net profit margin.

It is always a problem to examine the performance of SMMEs, especially when objective measures of performance are not publicly available. Collection of financial data like sales revenue and net profit through surveys often results in 'item nonresponse' due to business owner's reluctance to disclose this type of information (Hallak, Assaker & O'Connor, 2012).

2.2 Self-efficacy and performance

Entrepreneurial self-efficacy refers to the strength of a person's belief that he/she is capable of successfully performing various roles and tasks of entrepreneurship (Cherian & Jacob, 2013). Then De Noble, Jung & Ehrlichs (1999) defines entrepreneurial tasks as "developing new products or market opportunities", "building an innovative environment", "initiating investors' relationships", "defining core business purpose and developing critical human resources". Self-efficacy is also described as a motivational construct with potential to influence people's choice of activities, persistence levels, personal goals and performance in variety of context (Cherian & Jacob, 2013). Self-efficacy is a discriminating factor that distinguishes entrepreneurs from business owners and can also influence the entrepreneurial orientation of the business. It also affects performance by influencing entrepreneur's interests, motivations and perseverance level.

Self-efficacy is a useful concept for explaining human behaviour, as research reveals that it plays an influential role in determining an individual's choice, level of effort and perseverance. Individuals with high self-efficacy for a certain task are more likely to pursue and then persist in that task than those individuals who possess low self-efficacy. High self-efficacy leads to increased initiative persistence and therefore improved performance; low self-efficacy reduces effort and therefore performance (Hallak, Assaker & O' Connor, 2012). People with high self-efficacy think differently and behave differently than people with low self-efficacy (Bandura, 1997). It appears that self-efficacy affects a person's choice of action and the amount of effort he or she exerts. Self-efficacy is a primary determinant of motivation and behaviour (Bandura, 1986) and has been demonstrated to enhance performance.

In other studies by Judge and Bono (2001), self-efficacy was found to be positively related to business performance. In the area of entrepreneurship, although there is no direct evidence that the self-efficacy of entrepreneurs affects performance of the firm they

manage, there is a suggestion that it has an effect on entrepreneurial intentions and actions. Given the pervasive positive effects of self-efficacy on general performance, the study proposes that:

Self-efficacy is positively related to business performance (H01).

Self-efficacy is an important motivational construct that influences individual choices, goals, emotional reactions, effort, coping and persistence. It also refers to an individual's convictions about his or her abilities. (Bandura, 2001). Chen, Green and Crick (1998) found that entrepreneurial self-efficacy constructs predict the likelihood of an individual being an entrepreneur (that is, entrepreneurial self-efficacy refers to the strength of a person's belief that he or she is capable of successfully performing the various roles and tasks of an entrepreneur).

According to Bandura (1986), efficacy judgements not only determine people's choice of activities but also their level of effort and persistence. When faced with real or perceived obstacles, high self-efficacious individuals exert more effort than people with low self-efficacy. They also tend to persist in the face of difficulties and try to execute new behaviours. Since entrepreneurs perceive themselves to be efficacious, they may be more willing to take on risky projects because they believe in their abilities. Entrepreneurs who have a high sense of self-efficacy will be more likely to create a firm that has an entrepreneurial orientation than those who have a low sense of self-efficacy.

Vancouver (2002) found that there is a positive relationship between self-efficacy and business performance. This is because self-efficacy facilitates learning and task performance. Bandura (2001) assumes that individuals, in the natural course of life, freely choose to be in certain situations and avoid others; thus they are able to provide opportunities for personal dispositions to manifest and be reinforced in the preferred environment. He further states that when people aim for a challenging standard but have to guess how they are doing, the stronger their perceived self-efficacy for goal attainment and the more pleased they are with whatever they surmise their performance to be, the more they heighten their efforts (Cherian &Jacob. 2013).

Bandura (2001) states that goals do not automatically activate the evaluative processes that affect performance. High achievers tend to make self-satisfaction contingent upon the attainment of difficult goals; low achievers adopt easy goals as sufficient (Bandura, 2001). The researcher argues that high levels of entrepreneurship self-efficacy will yield enhanced effort and persistence, increased planning and increased intention toward business start-up.

Entrepreneurs with high levels of self-efficacy set higher goals for themselves and for the business. Therefore the study suggest that: H_01 There is a significant positive relationship exists between entrepreneurial self-efficacy and business performance (H_01a: my business income; H_01b-my business profit; H_01c- my market share; H_01d- my return on investment; H_01e- number of employees; H_01f- product line).

3. Methodology

The population of the study is SMMEs (Small, Medium and Micro enterprises) in the retail sector of the Gauteng province of South Africa. The researcher uses the brabys.com populations of SMMEs in Gauteng since this organisation is reliable and is the leading registry of SMMEs in the country (GEM 2010). According to Brabys, the population size of SMMEs in the retail industry is 10 000. The study population was therefore based on 10 000 SMMEs.

Probability sampling was used to ensure that each member of SMME population is given a known non-zero chance of selection. Simple random sampling was utilised to identify the respondents. This increased accuracy and precision of the sample in representing the characteristics of the population of SMMEs in retail industry in that province.

According to Cooper and Schindler (2008), the sample size that is acceptable is 5% of the total population. Given this study's estimate of a population of 10 000, it means that the targeted sample was 500 respondents (that is, 10 000 entrepreneurs X 0.05 = 500 respondents). A structured research instrument (a questionnaire) was used to collect data through self-administration interviews. Out of the targeted sample of 500 SMMEs, 466 responses were received which yielded a 93.2% response rate.

3.1 Measures

The investigative questions concerned the following constructs:

3.1.1 Self-efficacy

The construct of self-efficacy that was outlined in this study builds on underlying mechanisms of self-efficacy beliefs identified in social cognitive theory. The theory of self-efficacy was advanced by Bandura and his colleagues (Bandura 2001) to explain individual variability in attaining goals. The strength of these beliefs and the certainty with which they are held are personal self-efficacy beliefs relative to that set by challenges. The respondents were asked to state the effort they put into dealing with the different situations in business. The 22 items were aimed at getting the respondents to indicate the extent to which they (entrepreneurs) viewed certain factors as a basis for their start-ups. The questions asked from these variables are based on the following statement: to get through to the most difficult employee; to promote team support; to keep employees on task; to motivate employees who show low interest in their work; to get

employees to work together; to overcome the influence of negative employees on employees achieving goals; and to get employees to do their work. A five-point Likert scale (none, very little, moderate, quite a bit and a great deal) were used for each of the 22 items.

3.1.2 Business performance

Trailer and Hill (1996) examined 51 published entrepreneurial studies using performance as the dependent variable and found that the most commonly considered dimensions of performance were related to efficiency, growth and profit. Efficiency comprises some financial measures like return on investment and return on equity; growth focuses on increase in sales, employees or market share; and profit includes return on sales and net profit margin.

List of independent variables used to quantify business performance are; my business income; my business profit; market share; return on investment; number of employees and product line. Respondents were requested to rate the extent to which they agree with the statements on business performance. A five-point Likert scale (strongly agree, agree, don't know, disagree and strongly disagree) was used for each of the six questions that were asked. The 6 items were aimed at finding out the performance of business.

The assumption was that there is a relationship between self-efficacy and business performance. The researcher therefore wanted to see if this was true and to find out which factors affect business positively and to what extent.

3.1.3 Analysis

The statistical analysis makes use of a categorical regression model to facilitate the investigation of causal relationship in the data. This model was preferred over other categorical association measures such as chi-square, Cromer's V and Lamda, which would not allow the same level of analysis, especially with regard to causal relationships. Another reason of using categorical regression model derives from the usage of ordinal and nominal data in the model and also that the dependent variable is dichotomous. The dependent variable is defined as the performance of a business with six categories, namely my business income; my business profit; market share; return on income; number of employees and product line. The alpha reliability of the scale was 0.84.

4. Results

4.1 My business income

There is a significant positive relationship exists between self-efficacy and business performance ($H_0 1$a: my business income).

The results from the analysis of variance are depicted in table 1 below. These show that the model variance (2.406) is considerably higher than the error variance (0.857), indicating that the different predictors separately and conjointly succeeded in predicting business performance significantly at 95% level of certainty.

Table 1. ANOVA: my business income

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	91.437	38	2.406	2.807	.000
Residual	314.563	367	.857		
Total	406.000	405			

The regression coefficients obtained by estimating the full model is presented in Table 2 below. Given that a total of 500 observations were used, the fairly large number of variables listed can be included in the regression to determine which ones are significant in determining business performance.

The standardised coefficients with regard to "my business income" in table below were found to present strong predictors of business performance. With regard to my business income, some variables are above 0.050 level of significance and can therefore be regarded as weak predictors of business performance. These include the following: to get through to the most difficult employee; to promote team support; to keep employees on task; to get

employees to work together; to overcome the influence of negative employees on employees achieving goals; and to get employees to do their work.

These factors do not relate strongly to self believe to start a business and are not predictors of business performance. The table shows some self-efficacy factors between 5% and 20% level of significance. Statistically, these factors (namely, to motivate your employees who show low interest in their work; to prevent problem behaviour on the business; to reduce employee absenteeism; I am confident that I can deal efficiently with unexpected events) can be considered as of marginal significance. These can be tested further in other research project.

Table 2. Regression coefficients indicating the significance of self-efficacy variables to business performance
(My business income)

Coefficients					
		Standardized Coefficients	Df	F	Sig.
	Beta	Bootstrap (1000) Estimate of Std. Error			
to promote team support	.108	.147	3	.540	.655
to keep employees on task	-.125	.123	2	1.040	.354
to motivate your employees who show low interest in their work	.226	.137	3	2.732	.044
to overcome the influence of negative employees on employees achieving goals?	-.090	.198	1	.209	.648
To get employees to follow business rules	.180	.135	2	1.783	.001
To control disruptive behavior in the business	.162	.140	2	1.350	.261
To prevent problem behavior on the business	-.184	.113	3	2.641	.049
To make employees feel comfortable coming to work	-.130	.182	2	.507	.603
To get your business involved in working with community group	.046	.121	2	.143	.867
To get local colleges and universities involved in working with your business	-.043	.115	2	.137	.872
To make your business a safe place to work in	.017	.192	1	.008	.929
To make employees enjoy coming to work	-.106	.157	3	.454	.715
To reduce employee absenteeism	.188	.092	3	4.212	.006
I always manage to solve difficult problems in business	.145	.110	2	1.745	.002
If someone opposes me, I can find the means and ways to get what I want	.086	.114	2	.577	.562
I am confident that I can deal efficiently with unexpected events	.173	.078	2	4.892	.008
It is easy for me to stick to my aims and accomplish goals	.090	.071	2	1.595	.006

Table 5 indicate regression coefficient indicating the significance of self-efficacy variables to business performance.

With regard to business income, the majority of variables are above 0.050 level of significance and can therefore be regarded as weak predictors of business performance but only seven *(to motivate your employees; to get employees to follow business rules; I always manage to solve different problems; to prevent problem behaviour on the business; to reduce employee absenteeism; I am confident that I can deal efficiently with unexpected events and it is easy for me to stick to my aims)* are predictors of business performance with significance level of 0.044; 0.001; 0.049; 0.006; 0.002; 0.008 and 0.006. The hypothesis (H_01a) is accepted for these variables.

4.2 My business profit

There is a significant positive relationship exists between self-efficacy and business performance (H_01b: my business profit).

With regard to "my business profit" some variables affect business performance. The significance level of some of the variables falls above the 0.05% level of significance. They are not strong predictors of business performance.

Table 3. ANOVA: my business profit

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	82.511	39	2.116	2.395	.000
Residual	322.489	365	.884		
Total	405.000	404			

The results from the analysis of variance are depicted in table 3. These show that the model variance (2.116) is considerably higher than the error variance (0.884), indicating that the different predictors separately and conjointly succeeded in predicting business performance significantly at 95% level of certainty.

With regard to "my business profit", some of variables are above 0.050 level of significance and can therefore be regarded as weak predictors of business performance while some are below and are regarded as strong predictors of business performance.

Table 4. Regression coefficients indicating the significance of self-efficacy variables to business performance (my business profit)

Coefficients					
	Standardized Coefficients		Df	F	Sig.
	Beta	Bootstrap (1000) Estimate of Std. Error			
to promote team support	.153	.127	2	1.455	.030
to keep employees on task	-.117	.118	3	.970	.040
to motivate your employees who show low interest in their work	.094	.177	3	.281	.839
to overcome the influence of negative employees on employees achieving goals?	.116	.198	2	.343	.710
To get employees to follow business rules	.153	.161	1	.902	.020
To control disruptive behavior in the business	.103	.173	2	.355	.702
To prevent problem behavior on the business	-.173	.137	2	1.590	.005
To make employees feel comfortable coming to work	-.094	.222	2	.181	.835
To get your business involved in working with community group	.088	.126	3	.487	.692
To get local colleges and universities involved in working with your business	-.078	.117	2	.449	.638
To make your business a safe place to work in	.098	.121	2	.653	.521
To make employees enjoy coming to work	-.083	.156	1	.282	.596
To reduce employee absenteeism	.138	.092	3	2.217	.008
I always manage to solve difficult problems in business	.139	.134	2	1.071	.344
If someone opposes me, I can find the means and ways to get what I want	.087	.117	2	.549	.578
I am confident that I can deal efficiently with unexpected events	.163	.070	3	5.439	.001
It is easy for me to stick to my aims and accomplish goals	.077	.072	2	1.132	.324

Table 4 shows the regression coefficients indicating the significance of self-efficacy variables to business performance.

With regard to my business profit, the majority of variables are above 0.050 level of significance and can therefore be regarded as weak predictors of business performance but only six (*to promote team support; to keep employees on the task; to get employees follow business rules; to reduce employment absenteeism and I am confident that I can deal efficiently deal with unexpected events*) are predictors of business performance with significance level of 0.030; 0.040; 0.020; 0.005; 0.008 and 0.001. The hypothesis ($H_0$1b) is accepted for these variables.

With regard to "my market share" some variables affect business performance. The significance level of some of the variables falls above the 0.05% level of significance. In that case they are not strong predictors of business performance.

4.3 My market share

There is a significant positive relationship exists between self-efficacy and business performance ($H_0$1c: my market share).

Table 5. ANOVA: my market share

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	77.261	38	2.033	2.268	.000
Residual	330.739	369	.896		
Total	408.000	407			

The results from the analysis of variance are depicted in table 5. These show that the model variance (2.033) is considerably higher than the error variance (0.898), indicating that the different predictors separately and conjointly succeeded in predicting business performance significantly at 95% level of certainty.

With regard to "my market share", some of the variables are above 0.050 level of significance and can therefore be regarded as weak predictors of business performance but only six are positive: to promote team support; to overcome the influence of negative employees; to reduce employee absenteeism; I always manage to solve different problems; I am confident that I can deal with unexpected events and it is easy for me to stick to my aims and accomplish goals.

Table 6. Regression coefficients indicating the significance of self-efficacy variables to business performance

Coefficients			Df	F	Sig.
	Standardized Coefficients		Df	F	Sig.
	Beta	Bootstrap (1000) Estimate of Std. Error			
to promote team support	.215	.149	1	2.087	.041
to keep employees on task	-.099	.223	3	.197	.898
to motivate your employees who show low interest in their work	-.167	.179	1	.867	.352
to overcome the influence of negative employees on employees achieving goals?	.202	.161	2	1.584	.007
To get employees to follow business rules	.149	.209	2	.506	.604
To control disruptive behavior in the business	.080	.214	2	.139	.870
To prevent problem behavior on the business	-.111	.151	3	.541	.654
To make employees feel comfortable coming to work	.136	.210	1	.418	.519
To get your business involved in working with community group	.105	.109	2	.914	.402
To get local colleges and universities involved in working with your business	-.018	.117	1	.024	.876
To make your business a safe place to work in	.061	.147	2	.173	.841
To make employees enjoy coming to work	.074	.175	2	.180	.835
To reduce employee absenteeism	-.108	.089	3	1.466	.002
I always manage to solve difficult problems in business	.149	.090	2	2.753	.045
If someone opposes me, I can find the means and ways to get what I want	-.048	.133	1	.133	.716
I am confident that I can deal efficiently with unexpected events	.165	.070	4	5.524	.000
It is easy for me to stick to my aims and accomplish goals	.100	.099	3	1.013	.001

Table 6 above shows the regression coefficients indicating the significance of self-efficacy variables to business performance.

With regard to "my market share", some variables are above 0.050 level of significance and can therefore be regarded as weak predictors of business performance but only six *(to promote team*

support; to overcome employee absenteeism; I always manage to solve different problems; I am confident that I can deal efficiently with unexpected events and it is easy for me to stick to my aims and accomplish goals) are predictors of business performance with significance level of 0.41; 0.007; 0.002; 0.045; 0.000 and 0.001. The hypothesis (**H₀1**c) is accepted for these variables.

4.4 My return on investment

There is a significant positive relationship exists between self-efficacy and business performance (**H₀1**d: my return on investment).

With regard to "my return on investment" some variables affect business performance. The significance level of some of the variables falls above the 0.05% level of significance.

Table 7. ANOVA: My return on investment

	Sum of Squares	df	Mean Square	F	Sig.
Regression	103.082	42	2.454	2.958	.000
Residual	292.918	353	.830		
Total	396.000	395			

The results from the analysis of variance are depicted in table 7. These show that the model variance (2.454) is considerably higher than the error variance (0.830), indicating that the different predictors separately and conjointly succeeded in predicting business performance significantly at 95% level of certainty.

With regard to "my return on investment", some variables are above 0.050 level of significance and can therefore be regarded as weak predictors of business performance.

Table 8. Regression coefficients indicating the significance of self-efficacy variables to business performance

Coefficients					
	Standardized Coefficients		Df	F	Sig.
	Beta	Bootstrap (1000) Estimate of Std. Error			
to promote team support	.151	.128	2	1.400	.008
to keep employees on task	-.175	.152	2	1.330	.013
to motivate your employees who show low interest in their work	-.106	.171	3	.386	.763
to overcome the influence of negative employees on employees achieving goals?	.257	.149	1	2.983	.035
To get employees to follow business rules	.098	.154	3	.403	.751
To control disruptive behavior in the business	.149	.152	2	.963	.015
To prevent problem behavior on the business	-.154	.117	3	1.726	.001
To make employees feel comfortable coming to work	-.287	.250	3	1.319	.020
To get your business involved in working with community group	.111	.084	3	1.761	.154
To get local colleges and universities involved in working with your business	-.079	.087	2	.812	.445
To make your business a safe place to work in	.053	.111	2	.226	.798
To make employees enjoy coming to work	-.084	.176	2	.225	.799
To reduce employee absenteeism	.051	.131	3	.151	.929
I always manage to solve difficult problems in business	.311	.169	2	3.364	.036
If someone opposes me, I can find the means and ways to get what I want	-.161	.095	3	2.846	.038
I am confident that I can deal efficiently with unexpected events	.173	.072	2	5.751	.003
It is easy for me to stick to my aims and accomplish goals	.102	.077	3	1.746	.157

With regard to "my return on investment", some variables are above 0.050 level of significance and can therefore be regarded as weak predictors of business performance but only seven, *(to promote team support; to keep employees on task; to overcome the influence of negative employees; to control disruptive behaviour; to prevent problem behaviour; to make employees feel comfortable and I am confident that I can deal efficiently with unexpected events)* are predictors of business performance with significance level of 0.008; 0.013; 0.035; 0.015;

0.001; 0.020 and 0.003. The hypothesis (**H₀1d**) is accepted for these variables.

4.5 Number of employees

There is a significant positive relationship exists between self-efficacy and business performance (**H₀1e**: number of employees).

With regard to "number of employees" some variables affect business performance while some not. The significance level of some of the variables falls above the 0.05% level of significance. Those are not strong predictors of business performance.

Table 9. ANOVA: number of employees

	Sum of Squares	df	Mean Square	F	Sig.
Regression	70.125	40	1.753	1.902	.001
Residual	341.875	371	.921		
Total	412.000	411			

The results from the analysis of variance are depicted in table 9. These show that the model variance (1.753) is considerably higher than the error variance (0.921), indicating that the different predictors separately and conjointly succeeded in predicting business performance significantly at 95% level of certainty.

With regard to "number of employees", some variables are below 0.050 level of significance and can therefore be regarded as good predictors of business performance.

Table 10. Regression coefficients indicating the significance of self-efficacy variables to business performance

Coefficients					
	Standardized Coefficients		Df	F	Sig.
	Beta	Bootstrap (1000) Estimate of Std. Error			
to promote team support	-.079	.160	3	.244	.866
to keep employees on task	.160	.131	3	1.491	.002
to motivate your employees who show low interest in their work	.141	.142	3	.980	.004
to overcome the influence of negative employees on employees achieving goals?	-.178	.179	3	.989	.003
To get employees to follow business rules	.012	.165	1	.005	.944
To control disruptive behavior in the business	.034	.175	1	.037	.848
To prevent problem behavior on the business	.143	.118	1	1.461	.022
To make employees feel comfortable coming to work	-.156	.157	3	.995	.395
To get your business involved in working with community group	-.216	.119	2	3.327	.037
To get local colleges and universities involved in working with your business	.094	.129	2	.537	.585
To make your business a safe place to work in	.106	.195	2	.296	.744
To make employees enjoy coming to work	-.089	.171	3	.268	.848
To reduce employee absenteeism	.115	.102	2	1.279	.028
I always manage to solve difficult problems in business	.125	.111	2	1.258	.028
If someone opposes me, I can find the means and ways to get what I want	.102	.131	2	.603	.548
I am confident that I can deal efficiently with unexpected events	.034	.115	1	.088	.767
It is easy for me to stick to my aims and accomplish goals	.129	.067	3	3.735	.011

Variables that are above 0.050 level of significance are regarded as weak predictors of business performance while variables below 0.050 are regarded as good predictors of business performance

With regard to number of employees, some variables are below 0.050 level of significance and can therefore be regarded as good predictors of business performance and they are "to keep employees on task; to motivate your employees; to overcome the influence of negative employees; to prevent problem behaviour; to get your business involved in working with communities; to reduce employee absenteeism; I always manage to solve difficult problems and it is easy for me to stick to my

aims and accomplish goals are predictors of business performance with significance level of 0.003; 0.004; 0.003; 0.022; 0.037; 0.028; 0.028 and 0.011. The hypothesis ($H_0$1e) is accepted for these variables.

4.6 Product lines

There is a significant positive relationship exists between self-efficacy and business performance ($H_0$1f: product lines).

With regard to "product lines" some variables affect business performance. The significance level of some of the variables falls above the 0.05% level of significance.

Table 11. ANOVA: product lines

	Sum of Squares	df	Mean Square	F	Sig.
Regression	124.109	33	3.761	4.942	.000
Residual	286.891	377	.761		
Total	411.000	410			

The results from the analysis of variance are depicted in table 11. These show that the model variance (3.761) is considerably higher than the error variance (0.761), indicating that the different predictors separately and conjointly succeeded in predicting business performance significantly at 95% level of certainty.

With regard to "product lines", some variables are above 0.050 level of significance and can therefore be regarded as weak predictors of business performance and some are below 0.050 and are regarded as strong predictors of business performance

Table 12. Regression coefficients indicating the significance of self-efficacy variables to business performance

Coefficients					
	Standardized Coefficients		Df	F	Sig.
	Beta	Bootstrap (1000) Estimate of Std. Error			
to promote team support	-.127	.152	1	.702	003
to keep employees on task	.261	.111	2	5.571	.004
to motivate your employees who show low interest in their work	.155	.114	2	1.849	.159
to overcome the influence of negative employees on employees achieving goals?	-.146	.117	3	1.540	.004
To get employees to follow business rules	-.099	.138	2	.514	.599
To control disruptive behavior in the business	.154	.132	1	1.354	.245
To prevent problem behavior on the business	.255	.232	2	1.216	.009
To make employees feel comfortable coming to work	-.086	.199	1	.186	.666
To get your business involved in working with community group	.195	.070	3	7.858	.000
To get local colleges and universities involved in working with your business	-.183	.062	2	8.678	.000
To make your business a safe place to work in	.041	.112	1	.133	.715
To make employees enjoy coming to work	-.102	.129	2	.622	.537
To reduce employee absenteeism	.074	.085	2	.751	.472
I always manage to solve difficult problems in business	.232	.190	3	1.484	.002
If someone opposes me, I can find the means and ways to get what I want	.110	.094	2	1.366	.025
I am confident that I can deal efficiently with unexpected events	.037	.104	1	.127	.722
It is easy for me to stick to my aims and accomplish goals	.013	.107	1	.015	.904

With regard to business income, some variables are above 0.050 level of significance and can therefore be regarded as weak predictors of business performance but only eight *(to promote team support; to keep employees on task; to overcome the influence of negative employees; to prevent problem behaviour; to get your business involved in working with community group; to get local colleges and universities involved in working with your business; I always manage to solve difficult problems in business and if someone opposes me, I can get means and ways to get what I want)* are predictors of business performance with significance level of 0.003; 0.004; 0.004; 0.002; 0.000; 0.000; 0.002 and 0.025 respectively. The hypothesis (**H$_0$1f**) is accepted for these variables.

These findings, depicting the magnitude of the business environment in the study area, clearly confirm the positive impact of self-efficacy on business performance. This conclusion enlightens the first research question, namely, the possible positive impacts of self-efficacy on business performance. The variables relating to this phenomenon are best predictors of business performance. The strong predictive value of self-efficacy as independent variables of business performance confirms that these factors should be there in individual entrepreneur for the business to perform better. It is clear from the tables above that other variables do not impact the business performance at all.

5. Conclusion

As indicated above, some of entrepreneurial orientation factors are not predictors of business performance. The following were found to be predictors of business performance*: to promote team support; to keep employees on task; to overcome the influence of negative employees; to motivate employees who show low interest in the their work; to prevent problem behaviour on the business; to get employees to follow business rules; to get your business involved in working with community group; to control disruptive behaviour in the business; to get local colleges and universities involved in working with your business; to reduce employee absenteeism; I always manage to solve difficult problems in business; if someone opposes me, I can find the means and ways to get what I want; it is easy for me to stick to my aims and accomplish goals; I am confident that I can deal efficiently with unexpected events.* The rest of the factors were found to be weak predictors of business performance. Therefore they should be taken out of the factors that predict business performance. The study done by Radipere (2013) finds that there is a significant correlation between self-efficacy and business performance.

Certain part of the results support studies undertaken by Vancouver, Thomson, Tischner, & Putka (2002) that there is a positive relationship between self-efficacy and performance. They state that when people aim for a challenging standard but have to guess how they are doing, the stronger their perceived self-efficacy for goal attainment and the more pleased they are with whatever they surmise their performance to be, the more they heighten their efforts.

Certain factors found to be good predictors of business performance on other variables as highlighted on the findings and discussion above while other factors are found to be not predictors of business performance.

The level of significance of the 14 out of 18 independent variables suggests that self-efficacy be classified as the strongest predictor of business performance.

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