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Research Article

Understanding the impact of self-efficacy on entrepreneurial intention via moderating role of entrepreneurial education: A study among students of Gujarat state in India

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ABSTRACT:

This research focuses on the impact of self-efficacy on entrepreneurial intention with an emphasis on the mediating role of entrepreneurial education among MBA students in a college in Gujarat, India. With increased relevance placed on entrepreneurship as a force for economic growth, knowing the determinants of entrepreneurial intention is significant. Self-efficacy, or the belief that one can accomplish certain goals, is a key determinant of entrepreneurial intentions. Yet, how much entrepreneurial education strengthens this link is a topic of interest. Adopting a quantitative survey design, this research uses established scales to measure self-efficacy, entrepreneurial intention, and the influence of entrepreneurial education. The study seeks to establish whether exposure to formal entrepreneurial training tightens the relationship between self-efficacy and business start-up intentions. Using MBA student responses, the current research offers empirical evidence on the efficacy of educational interventions in developing entrepreneurial aspirations. By linking theory to practice, this research contributes to the overall pool of research on entrepreneurial intention. It draws attention to the role of education policy in influencing entrepreneurial ambitions and lays the groundwork for future studies of how a controlled learning context can develop successful entrepreneurs for emerging markets.

Keywords: Self-efficacy, entrepreneurial intention, entrepreneurial education, moderator

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1. Introduction

Entrepreneurship is an important driver of economic growth, innovation, and job creation. The entrepreneurial world is ever changing due to the impact of the economy, technology, and the social environment. Entrepreneurial intent, or one's deliberate act of undertaking business ventures, has been cited as a core entrepreneurial precursor to venture formation (Krueger et al., 2000). Understanding entrepreneurial intention determinants is essential to develop effective policy interventions and education programs that support business formation and innovation (Hou et al., 2022).

Among the numerous determinants of entrepreneurial intention, self-efficacy has been recognized as a dominant psychological determinant. Self-efficacy is an individual's confidence in performing a set of tasks successfully (Bandura, 1977). In an entrepreneurial setting, entrepreneurial self-efficacy (ESE) is confidence in one's ability to recognize opportunities, control resources, and overcome obstacles in the business environment (Zhao et al., 2005). Research indicates that those with greater entrepreneurial self-efficacy are more inclined to notice business opportunities, assume calculated risks, and pursue entrepreneurial activities (Entrialgo & Iglesias, 2016). Yet, while self-efficacy is a key internal factor that affects entrepreneurial intention, entrepreneurial education can still influence and build on this link.

Entrepreneurial education (EE) is a key external facilitator that provides individuals with the knowledge, skills, and experiences required to cultivate an entrepreneurial mindset. Education programs that target entrepreneurship seek to make students more confident that they can establish and continue businesses, thus entrepreneurial intention (Shah et al., 2020). EE involves experiential learning, business simulation, mentorship, and case teaching in the creation of problem-solving skills, risk-taking ability, and flexibility. It has been found through research that those who receive structured entrepreneurial education have higher entrepreneurial self-efficacy, which becomes entrepreneurial intention (Hou et al., 2022). Notwithstanding this, there has been little evidence of how EE mediates the relationship between entrepreneurial intention and self-efficacy, especially in emerging economies like India.

The purpose of this study is to investigate the effect of self-efficacy on entrepreneurial intention and the moderating effect of entrepreneurial education on the relationship. The focus is placed on MBA students in Gujarat, India. This research addresses a key entrepreneurship studies gap within the Indian environment. Previous studies have largely been based in Western nations, neglecting cultural and educational subtleties that could impact entrepreneurial intention in emerging economies (Hou et al., 2022). Through the exploration of the relationship between self-efficacy and EE, this research aims to offer insightful information for educators, policymakers, and entrepreneurs in crafting effective entrepreneurship education interventions.

2. Literature Review

2.1. Self-Efficacy

Self-efficacy, which was brought forth by Bandura (1977), is a person's perception of their ability to perform certain tasks and achieve goals. In the context of entrepreneurship, entrepreneurial self-efficacy (ESE) identifies one's belief in carrying out entrepreneurial tasks like recognizing opportunities, obtaining financial resources, creating business strategies, and handling uncertainty (Zhao et al., 2005). Research indicates that high self-efficacy individuals are more resilient and proactive in the face of adversity, resulting in greater entrepreneurial success (Boyd & Vozikis, 1994).

Various studies have shown a strong correlation between self-efficacy and entrepreneurial intention. People who have faith in their entrepreneurial capabilities are likely to be involved in opportunity recognition and risk-taking, which are crucial elements of entrepreneurship (Entrialgo & Iglesias, 2016). Self-efficacy also affects a person's ability to deal with problems and failures, strengthening his or her determination for business undertakings. This research will examine how self-efficacy influences entrepreneurial intention and if entrepreneurial education further enhances this relationship.

2.2. Entrepreneurial Intention

Entrepreneurial intention (EI) is a person's willingness and motivation to pursue

entrepreneurial activities (Krueger et al., 2000). Based on Ajzen's (1991) Theory of Planned Behavior (TPB), EI is shaped by personal attitudes, subjective norms, and perceived behavioral control, with self-efficacy being the key determinant of entrepreneurial commitment. People with high entrepreneurial intentions proactively pursue business opportunities and exhibit greater perseverance and adaptability (Shane & Venkataraman, 2000).

Empirical research indicates that EI is a good predictor of entrepreneurial action. Souitaris et al.'s (2007) research shows that entrepreneurship education can enhance EI by teaching students the necessary skills, assets, and self-efficacy to move from intention to action. The potential of EE to influence entrepreneurial intention is especially evident in emerging markets, where opportunities for access to business resources and mentorship may be scarce. Through the exploration of self-efficacy and EE's interaction, this research seeks to present a sophisticated explanation of entrepreneurial intention's influencing factors.

2.3. Entrepreneurial Education

Entrepreneurial education (EE) is a wide array of programs aimed at cultivating entrepreneurial competencies, such as business management skills, leadership skills, and strategic thinking (Shah et al., 2020). EE boosts self-confidence inculcates an entrepreneurial attitude and equips individuals with the tools required to spot and exploit business opportunities (Entrialgo & Iglesias, 2016). EE also involves experiential learning activities, mentorship, and practical business exposure, further enhancing students' capacity to deal with the intricacies of entrepreneurship.

Research has shown that EE not only boosts entrepreneurial awareness but also buffers the effect of self-efficacy on entrepreneurial intention (Hou et al., 2022). Those who undergo entrepreneurial education exhibit greater flexibility, toughness, and entrepreneurial expertise, raising their chances of entrepreneurial success. This research explores the degree to which EE reinforces the relationship between self-efficacy and entrepreneurial intention among MBA students in Gujarat.

3. Research Gap

Although prior research sets the positive impact of self-efficacy on entrepreneurial intention, few studies investigate the moderating effect of entrepreneurial education, especially in the Indian context. Moreover, previous studies have been based mainly on Western samples, ignoring cultural, economic, and educational variations that influence entrepreneurial behavior in emerging economies. This study aims to fill these gaps by examining the role of EE in influencing entrepreneurial self-efficacy and intention in an Indian context.

4. Research Objectives

1. To test the effect of self-efficacy on MBA students' entrepreneurial intention in Gujarat.
2. To analyze the moderating effect of entrepreneurial education in the association between self-efficacy and entrepreneurial intention.
3. To assess the influence of opportunity recognition and subjective norms on entrepreneurial intention.

5. Theoretical Background of the Study

The research is based on Ajzen's (1991) Theory of Planned Behavior (TPB), which suggests that entrepreneurial intention is influenced by attitudes towards behavior, subjective norms, and perceived behavioral control. Self-efficacy, a central concept in TPB, captures an individual's belief in their capability to be successful in entrepreneurial pursuits (Bandura, 1977). Such a belief in one's ability is an important predictor of whether or not an individual will opt for entrepreneurship (Krueger et al., 2000).

Entrepreneurial self-efficacy (ESE) has been extensively researched as a psychological predictor of entrepreneurial activity. Those with high self-efficacy tend to be more active in opportunity recognition, risk-taking, and business start-ups (Zhao et al., 2005). Research indicates that EE reinforces ESE by providing students with necessary knowledge and experience, hence their entrepreneurial confidence (Karimi et al., 2016).

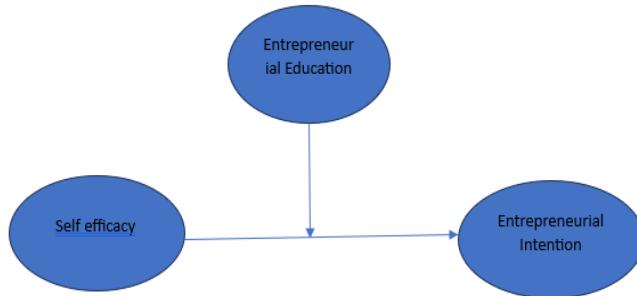
This research investigates how EE mediates the self-efficacy–entrepreneurial intention nexus, shedding light on how education affects entrepreneurial intentions in emerging economies.

Entrepreneurial education is important in influencing entrepreneurial outcomes. Studies indicate that formal entrepreneurship programs have a positive effect on students' self-efficacy and business skills, promoting an entrepreneurial attitude (Souitaris et al., 2007; Walter & Block, 2016). With the growing focus on entrepreneurship as a career option, this study investigates the degree to which EE increases self-efficacy and entrepreneurial intention among MBA students in Gujarat.

6. Hypotheses Formation

- H1: Self-Efficacy of entrepreneurs is positively associated with Entrepreneurial Intention.
- H2: Entrepreneurial Education moderates the relationship between Self-Efficacy and Entrepreneurial Intention.

7. Conceptual Model



8. Methodology

8.1. Research Design

This study employs quantitative, cross-sectional survey design. Data were collected from MBA students enrolled in Gujarat who have and have not undergone entrepreneurial education.

8.2. Sample and Sampling Method

A total of 400 MBA students were surveyed using a stratified random sampling method. The sample included both students who

had completed entrepreneurial education courses and those who had not.

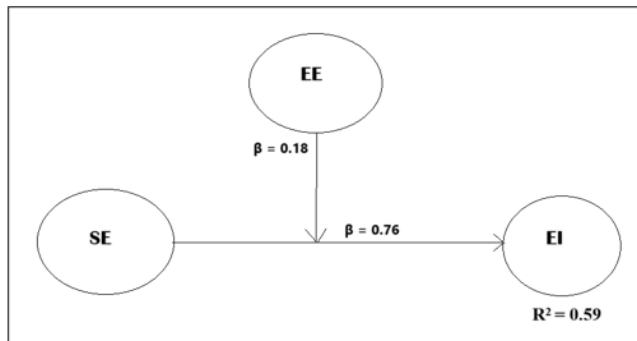
8.3. Measurement Scales

Validated scales were used to measure the three variables:

1. **Self-Efficacy:** Measured using the scale developed by Kolvereid (1996) (e.g., "I am confident in my ability to start and run a business")
2. **Entrepreneurial Intention:** Assessed using the Entrepreneurial Intentions Questionnaire (EIQ) by Liñán and Chen (2009)
3. **Entrepreneurial Education:** Measured through course completion status (Frank & Luthje, 2004).

9. Data Analysis and Interpretation

The following are the results from SEM analysis.



An extended model estimating the moderating influence of Entrepreneurial Education (EE) between Self-Efficacy (SE) and Entrepreneurial Intentions (EI) is depicted in Figure 4.1, Testing Model. A positive strong relationship between SE and EI exists ($\beta = 0.76$, $p < 0.01$), demonstrating that more self-efficacious individuals have stronger entrepreneurial intentions. Additional statistical evidence supports that SE has a significant effect on EI ($\beta = 0.76$, $p < 0.001$), pointing to the central position of self-efficacy in determining entrepreneurial ambitions. The positive path coefficient indicates that employees' entrepreneurial intentions are directly affected by how much self-efficacy they feel in their work environment. The Tenenhaus Goodness-of-Fit (GoF) measure of 0.742 of the model also

supports the high impact of SE on EI, establishing that the hypothesized path is highly significant. Besides the direct impact of SE on EI, the study also investigated the moderating effect of EE in this relationship.

The findings indicate a weaker but significant correlation between SE and EI when moderated by EE ($\beta = 0.18$, $p < 0.01$). Data analysis also shows that EE weakly diminishes the direct effect of SE on EI ($\beta = 0.18$, $p < 0.001$). This implies that although self-efficacy is a strong predictor of entrepreneurial intentions, entrepreneurial education has a supportive role in amplifying or fine-tuning this connection. High self-efficacy employees have high entrepreneurial intentions, but entrepreneurial education's contribution to this is relatively insignificant. In addition, the overall R-square of 0.59 for the model indicates a satisfactory level of explanatory power, which means that self-efficacy and entrepreneurial education together explain 59% of the variation in entrepreneurial intentions. This result highlights the significance of both psychological and educational determinants in influencing entrepreneurial intentions.

The research emphasizes that although self-efficacy is a strong determinant of entrepreneurial intentions, systematic educational interventions can serve as an additional catalyst for developing an entrepreneurial orientation. The research adds to the increasing body of literature on entrepreneurship by showing the importance of both internal and external factors in the entrepreneurial choice-making process.

10. Scope of the study

This study seeks to explore the impact of self-efficacy on entrepreneurial intention, particularly the entrepreneurial education moderating effect of MBA students in Gujarat, India. With entrepreneurship rising as a potential source of economic growth, more needs to be known about psychological and educational predictors of entrepreneurial intentions. Adopting a quantitative study design, the study quantifies the extent to which self-efficacy impacts entrepreneurial intentions and whether or not formal entrepreneurial education exposure strengthens the relationship. Findings offer helpful insights to educators, policymakers, and

institutions wishing to foster entrepreneurial mindsets in students through evidence-based educational interventions (Hou et al., 2022).

The emphasis of the current research extends beyond psychological traits of a person by including the part that outside facilitators such as education in entrepreneurship play. Although self-efficacy has been identified by other research studies as an important motivator of entrepreneurial intentions, limited research is available on how far education in entrepreneurship can support or mediate this interaction, particularly in the context of developing countries such as India. In filling this research gap, the current research provides empirical evidence on how formal educational modules, learning by doing, and mentorship interventions contribute to entrepreneurial confidence and entrepreneurial readiness of students (Shah et al., 2020). This research is particularly relevant in the Indian context of higher education institutions, where education in entrepreneurship remains in the infancy stage, and its role in entrepreneurial intention needs to be explored (Entrialgo & Iglesias, 2016). Furthermore, this study opens doors for further research by considering the broader effects of entrepreneurial education on entrepreneurial ecosystems.

The findings add to the debate on how systematic learning settings, curriculum structure, and policy backing can render entrepreneurial development more conducive. Further, by focusing on MBA students, this study reveals how management education influences entrepreneurial orientation and how universities can modify their pedagogical approaches to create more skilled and confident entrepreneurs. The findings of this study can guide future academic studies on the effectiveness of entrepreneurship education and its potential to drive business development in emerging economies (Zhao et al., 2005).

11. Limitations and Future Scope

This analysis is limited to three major variables: entrepreneurial education, entrepreneurial intentions, and self-efficacy. These variables have been chosen since they are relevant to the local cultural context, student profile, and growing salience of entrepreneurship education in institutes of higher learning. But this selective

approach might miss the entire set of determinants of entrepreneurial intentions, such as knowledge of finance, personality, social networks, and support systems of institutions. Furthermore, the analysis is limited to institutes of higher learning, i.e., universities and colleges in Gujarat, and this might limit our generalizations to other regions of the country or other education institutions. The entrepreneurial ecosystem is determined by a set of socio-economic and cultural determinants, and by missing out on these broader determinants, our comprehension of the formation and development of entrepreneurial intentions might also be patchy.

Future research will have to try to encompass a broader set of factors, such as family, cultural risk-taking attitudes, and previous experience of entrepreneurial activities, in order to present a more comprehensive analysis of the determinants of entrepreneurial behavior. Expanding the research scope of future studies can also involve exploring the impact of informal institutions, for instance, society norms, peer group pressure, and local business culture, on entrepreneurial intention. Cultural drivers significantly influence whether an entrepreneur is a preferred profession, and exploring these drivers can assist in enhancing entrepreneurship education programs.

Additionally, while the present study targets MBA students, future studies can examine entrepreneurial intention by field of study since engineering, science, and arts students may respond differently in terms of interest and confidence in being an entrepreneur. Comparative studies between urban and rural institution students can also provide insights into differential impact of available resources, mentors, and networks on entrepreneurial self-efficacy. Longitudinal studies among students spanning extensive time horizons can also offer rich insights into the long-term impact of entrepreneurship education on new venture formation and survival. Expanding the scope of research on these other variables and dimensions can assist future studies in providing sharper and actionable recommendations on the evolution of an entrepreneurial culture in India and elsewhere.

12. Conclusion

This research attempts to examine the effect of Self Efficacy towards Entrepreneurial

Intentions, and moderating the effect of entrepreneurship education on the relationship between them. The study population of this research is MBA students in Gujarat. We have found strong results to meet the minimum requirements recommended for the quality of measurement of the instrument. The SEM findings indicate that self-efficacy are strong predictors of entrepreneurial intentions. On top of that, we also found support to confirm that entrepreneurship education has a moderating effect to enhance the relationship between self-efficacy and entrepreneurial intentions.

It is inferred from the empirical results that entrepreneurship education effectively contributes to developing entrepreneurial intentions in the case of Gujarat. Entrepreneurship education improves the level of perceived self-efficacy and resultantly derives toward entrepreneurship intentions. The results of this study have great importance for policymakers as most of the previous studies related to Gujarat had investigated that cultural factors and lack of entrepreneurship education in addition to lack of other support programs have closed the door for new business in Gujarat. Entrepreneurship education has been started in recent years in all higher education institutions along with some other support facilities, which may effectively influence the students' intentions in a positive way. The policymakers should focus on strengthening entrepreneurship education, R&D and technological infrastructure.

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