



Impact of Entrepreneurial Identity Aspiration and Self-Efficacy towards Entrepreneurial Behavior of the Working Class of Davao City, Philippines

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Article Info

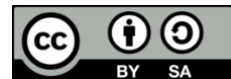
Keywords:

Entrepreneurial identity aspiration
Self-efficacy
Entrepreneurial behavior
Correlation
Multiple linear regression

ABSTRACT

The objective of this research is to quantify the relationship of Entrepreneurial Identity Aspiration and Self-Efficacy to Entrepreneurial Behavior of the working class of Davao City, Philippines where the culture has strong emphasis on working and providing for the family. The data is collected from 150 working people in Davao City through the e-questionnaires using Snowball sampling. Using a correlation-descriptive research design and multiple linear regression technique, the study's findings indicate that the desire for an entrepreneurial identity and one's self-efficacy have a notable influence on engaging in entrepreneurial actions. However, the study also identified that Self-efficacy has a higher correlation and effect towards Entrepreneurial Behavior. Furthermore, the results on Entrepreneurial Identity Aspiration show different results compared to relative studies presented. The results assume that even with the desire and aspiration to take an entrepreneurial role in the future, a person who is lacking on self-efficacy will not engage on entrepreneurial activities.

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Submitted 19 Dec 2022; Received 27 Jan 2023; Accepted 6 March 2023; Published 30 April 2023

How to cite: de Gracia, D., V. A. & Campos, K. P. (2023). Impact of Entrepreneurial Identity Aspiration and Self-Efficacy towards Entrepreneurial Behavior of the Working Class of Davao City, Philippines. *Journal of Economics Education and Entrepreneurship*, 4(1), 20-25. <https://doi.org/10.20527/jee.v4i1.7416>

1. INTRODUCTION

The concept of entrepreneurship, in its simplest form, describes an individual or a small cohort collaborating to set off on an innovative path towards establishing a fresh enterprise. In the entrepreneurial world, a person's behavior can determine how successful they will be. The right entrepreneurial behavior can lead to success, while the wrong one can lead to failure. According to Farmer et al. (2011) these behaviors include identifying opportunities, deriving plans, taking advantage of opportunities, executing plans, etc.

While entrepreneurial behavior is important as it involves entrepreneurial activities like planning and research, a person's individual desire to have an entrepreneurial role in the future is also key. In particular, Identity aspiration is known to work as a motivator, encouraging a person to engage in behaviors and tasks essential to their ideal selves (Gregori et al., 2021).

Another factor to have in entrepreneurship is self-efficacy in the context of capacity and confidence towards business opportunities, product ideas, creative thinking, and innovative development. In a study conducted by Riyanti (2009, as cited in Setiawan, 2014) on Indonesian students, she claims that although students have strong aspirations and intention towards entrepreneurship, it is not enough due to the lack of self-efficacy. Bandura (1997, as cited in Setiawan, 2014) defines that the belief in one's capability to successfully complete a task is known as self-efficacy. Setiawan (2014) added that the ability to believe in oneself is a crucial aspect of building a prosperous enterprise. This suggests that it could be among the utmost vital elements during initial implementation phases, dictating prosperity or failure.

The Filipino culture has a strong emphasis on working and providing for the family. The social norm is to have a stable job and to work hard to provide for their family. According to Bartolome et al. (2017) in their explanation of the dynamics of Filipino parent-child relationships, this bond is accompanied by traditional norms like "kapwa" (helping others) and "utang na loob" (paying back) which are tied to the importance of family and obligation. According to PSA (2022) the labor force participation rate in the Philippines is 64.2% as of October 2022. Due to the cultural emphasis on working and supporting one's family, it appears that a sizeable portion of the population is actively looking for work. Therefore, many Filipinos often prioritize finding a job over starting up their own business or becoming entrepreneurs.

Entrepreneurship is increasingly important in the current global economy due to the need for individuals to take on entrepreneurial roles to remain competitive. However, in societies like the Philippines, where stability in employment and providing for the family is prioritized, there exists a lack of entrepreneurial culture. The objective of this research is to investigate the correlation between entrepreneurial behavior, identity aspiration, towards self-efficacy among employed individuals in Davao City, Philippines. The study seeks to provide insights into the desires and aspirations of individuals in a society that values job stability over entrepreneurship. This study complements related research on entrepreneurial behavior, self-efficacy, and entrepreneurial identity aspiration (e.g., Farmer et al., 2011; Gregori et al., 2021; Setiawan, 2014; Wach and Wojciechowski, 2016), and by investigating the effects of identity aspiration and self-efficacy on entrepreneurial behavior in a unique cultural environment, this research makes a valuable addition to the field of entrepreneurship literature.

2. METHOD

According to (Curtis et al., 2016) The prevalence and relationships between variables can be determined using the results of correlational research. Thus, A correlational-descriptive study is deemed suitable to evaluate the relationships of the respondents' identity-aspiration and self-efficacy towards their entrepreneurial behavior. Moreover, the utilization of multiple linear regression facilitates the assessment of interdependent variables. It also tests the statistical significance for Identity Aspiration and Self-Efficacy as independent variables affecting Entrepreneurial Behavior.

The participants of the study consist of the working-class people of different ages, work experience, gender from different industries in Davao City. A total of 150 responses were gathered by December 2022 using an e-questionnaire distributed using snowball sampling.

To measure and assess the different variables involved, a 5-point Likert Scale was utilized. This study uses existing and established constructs of identity-aspiration, self-efficacy,

and entrepreneurial behavior (Farmer et al., 2011). The constructs have been modified to be more suited for the study.

3. RESULTS AND DISCUSSION

3.1 Results

To check for the validity of the constructs, reliability test is conducted using Cronbach Alpha test for the different constructs (Identity Aspiration, Self-Efficacy, and Entrepreneurial Behavior).

The first table displays Cronbach's Alpha coefficients, which range from .82 to .91, indicating strong to outstanding internal consistency.

Table 1: Cronbach Alpha Results

Name	Cronbach's Alpha
Identity Aspiration	.82
Self-Efficacy	.91
Entrepreneurial Behavior	.86

The table below presents the model summary of the multiple linear regression, which offers insights into the correlation among the variables in question. Table 2 shows that model 1 explains the strength of relationship between Self-Efficacy and Entrepreneurial Behavior at $r = .663$. Model 2, which involves the two independent variables (Self-Efficacy, Identity Aspiration) also shows almost the same result at $R = .686$.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.663 ^a	.440	.436	.69714
2	.686 ^b	.471	.464	.67980

a. Predictors: (Constant), SE
b. Predictors: (Constant), SE, IA
c. Dependent Variable: EB

Table 3 examines the coefficients in greater detail to determine the impact of each independent variable on the dependent variable. H1 assesses whether IA (Identity Aspiration) significantly affects entrepreneurial behavior. The results reveal that Identity Aspiration has a significant influence on entrepreneurial behavior ($B = .182$, $t = 2.957$, $p = .004$). Thus, H1 is supported. H2 assesses whether SE (Self-Efficacy) significantly impacts entrepreneurial behavior ($B = .682$, $t = 8.984$, $p = .000$). Thus, H2 is also supported.

Table 3: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.253	.292		.866	.388
IA	.192	.065	.193	2.957	.004
SE	.682	.076	.585	8.984	.000

a. Dependent Variable: EB

Table 4 shows that IA (Identity Aspiration) has lower correlation towards EB (Entrepreneurial Behavior) at $r = .429$ compared to SE (Self-Efficacy) and EB (Entrepreneurial Behavior) at $r = .663$.

Table 4: Correlations

	EB	IA	SE
Pearson Correlation	1.000	.429	.663
	.429	1.000	.404
	.663	.404	1.000

Figure 1 shows that there is a high number or count of people who have high identity aspiration.

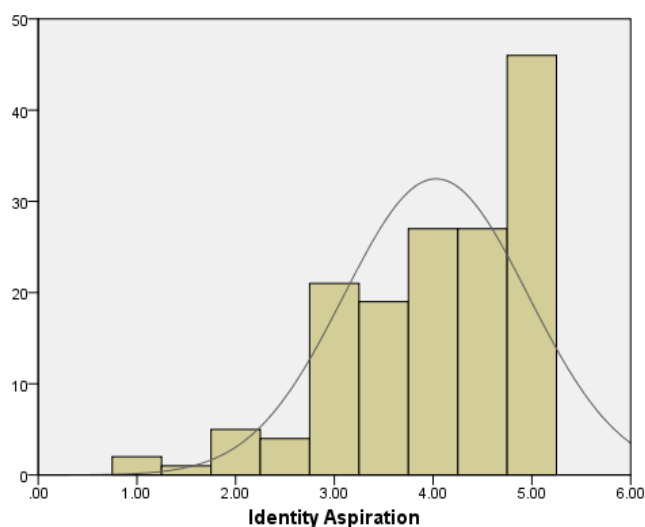


Figure 1: Histogram of Identity Aspiration

3.2 Discussion

Gregori et al (2021) proposed a research model for determining the impact of different factors towards entrepreneurial aspiration based on identity theory. They also added that entrepreneurial identity aspiration is a crucial driving force behind engaging in entrepreneurial endeavors. Farmer et al. (2011) put forward the hypothesis that there is a positive correlation between the intensity of identity aspiration and the entrepreneurial behavior of exploration and exploitation. Additionally, they emphasized that identity aspiration strength is a significant predictor for entrepreneurial behavior. However, this study shows different and opposite results compared to the prior mentioned studies. Based on the findings of the correlation analysis, Identity Aspiration is only moderately correlated to entrepreneurial behavior. The results of the Beta weights also explain that identity aspiration is a weaker predictor variable for entrepreneurial behavior.

As previously mentioned, an entrepreneur is an individual who can proactively recognize opportunities, devise a strategy to leverage the opportunity, execute the plan, and consistently evaluate and adapt the approach. Setiawan (2014) emphasizes that self-efficacy is important to be an entrepreneur. She further stated that entrepreneurial intention does not turn into reality without self-efficacy. The result of this study shows that self-efficacy is indeed an important

variable to become an entrepreneur. With a correlation coefficient of .663 in model 1, we consider that self-efficacy has a high degree of correlation towards entrepreneurial behavior. The higher Beta weight at .585 compared to identity aspiration at .193 implies that self-efficacy has a stronger effect on entrepreneurial behavior. Thus, a person's self-efficacy greatly affects entrepreneurial behavior such as identifying opportunities, formulating plans, capitalizing on opportunities, etc. The claim is further supported by Shaheen and Al-haddad (2018); Amorim Neto et al. (2018); Darmanto and Yuliari (2018) which shows similar results that self-efficacy has a meaningful association on entrepreneurial behavior. Relatively, Mante and Abellanos (2022) also confirms that self-efficacy affects the entrepreneurial intention. This relates to self-efficacy being a strong predictor for entrepreneurial behavior. When an individual has a strong intention to become an entrepreneur, it is more likely that they will engage in entrepreneurial behaviors to achieve their goal. The result shows that self-efficacy impacts the development of entrepreneurial behavior and that people with elevated levels of self-efficacy are more prone to exhibiting entrepreneurial behaviors.

Based on the data collected on identity aspiration, the working-class of Davao City shows a high aspiration towards an entrepreneurial role. However, the result of the correlation suggests that aspiration is not enough to display entrepreneurial behavior or engage in entrepreneurial activities. Additionally, the context of Filipino culture on a society where stability in employment and providing for the family is prioritized, it may be necessary to change cultural perceptions and values regarding entrepreneurship to promote a more entrepreneurial culture. Developing and promoting self-efficacy could be an important factor in achieving this cultural shift.

While both identity aspiration and self-efficacy have differing level impacts toward entrepreneurial behavior, the null hypothesis is rejected. Both hypotheses on the influence and relationship of identity aspiration and self-efficacy towards entrepreneurial behavior are statistically significant.

4. CONCLUSION

The study concludes that identity aspiration and self-efficacy impacts the entrepreneurial behavior of the working people of Davao City. The findings on identity aspiration showing different result compared to similar studies might be because of the presumption that the people in the Philippines are lacking an entrepreneurial culture. It can also be inferred that the more significant effect of self-efficacy is the cause of the weaker correlation between identity aspiration and entrepreneurial behavior. Even if someone desires and aspires to undertake an entrepreneurial role in the future, their lack of self-efficacy could prevent them from engaging in entrepreneurial activities.

While Identity Aspiration is not highly correlated with entrepreneurial behavior, it is interesting to observe that there is a high quantity of people aspiring to take an entrepreneurial role in Davao City, Philippines and that they do not act upon that aspiration due to other factors. Thus, improvement on this study can be made by identifying the said unknown reason or by introducing new factors, variables, or by adding new control variables.

ACKNOWLEDGEMENTS

The author wishes to convey her immense gratitude to the University of Southeastern Philippines for providing her with the chance to achieve academic advancement and for serving as a conduit of potential for a brighter future through education.

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