

The Role of Self Efficacy in Mediating the Effect of Self Leadership on Entrepreneur Performance in Young Entrepreneur

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Abstract: *The purpose of this study is determine the effect of self-leadership on entrepreneurship performance with self efficacy as mediation. The population in this study was 34, the study conducted by census. To answer the problem in this research, the researcher uses Structural Equation Modeling (SEM) measuring instrument using PLS. The result of this study shows that 1) self leadership has positive effect to self efficacy 2) self efficacy have positive effect on entrepreneur performance 3) self leadership have positive effect on entrepreneur performance 4) self leadership positively effect to entrepreneur performance with mediation self efficacy. Limitations in this study hypothesis testing only as a causal relationship between the construct identification of self-leadership, self-efficacy, entrepreneur performance and resource in this study is limited to young entrepreneurs in Denpasar.*

Keywords: *Self Efficacy, Self Leadership, Entrepreneur Performance, Startup*

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I. Introduce

Entrepreneur has a capability about "ability to create the new and different." Once entrepreneur wants an achievement or a target or performance, there must be a demand in his mind for that matter. He has a great desire to achieve it but indeed when there is circumstance beyond the expectation that the entrepreneur is disappointed, may feel stress. This happens often due to changes not necessarily accepted by many circles. How a person can act is the result of his thoughts, beliefs and feelings (Mukhid: 2009) whose factor is said to be self efficacy.

Beliefs / efficacy also make a person affected by his choice of actions, how much effort will be done, how long and diligently in the face of obstacles and failures, how strong will be to resist adversity and pressure, how clear his mind will be his own obstacles or help, how capable will be realized (Mukhid, 2009). Self-efficacy refers to "one's beliefs and abilities to organize and execute actions for the attainment of given results". In other words, self-efficacy is a self-assessment belief with regard to one's competence to succeed in a task (Badura 1997). If humans have a strong sense of self-efficacy, they will tend to advance to more effort to fulfill or complete tasks and put aside the obstacles they face than those who have their own weak sense of self efficacy (Collins 2003). Drnovsek (2010) and Yaacob et al (2014) suggested that further research be undertaken on new business types, in order to assess the start up bussiness process in areas with high variability.

Earlier reviewed by Godwin et al (2016) said the success of a business because of its involvement in viewing opportunities so as to build self-efficacy for future endeavors, aligned with Barbosa (2007) self-efficacy makes a person have a way of thinking to solve problems, which is very influential to the success of a business new. Self leadership is a process to build self-direction and self-motivation, especially in doing and completing important and complex work tasks (Musaheri: 2014). In self-leadership there are several factors that become the foundation as Belief, self talk, and mental imagery.

II. Literature Review

Self Leadership

Self Leadership involves persistence people mobilize themselves to achieve self-motivation and self-direction as needed to behave in the desired way. The use of independent leadership strategies facilitates perceptions of controls and responsibilities that positively influence performance outcomes Three distinct but complementary categories of self-leadership leadership affect subsequent outcomes.

Self Efficacy

The idea of entrepreneur self-efficacy is based on a socio-cognitive approach that simultaneously criticizes the dynamic interaction between individuals and the surrounding environment by explaining what cognitive, motivational and identifiable skills are identical to individual decisions to attain entrepreneurial activity (Drnovs ek; 2010) , we show that ESE dimensions can include two different types of beliefs: goal beliefs and control beliefs. Entrepreneurial self-efficacy includes at least two dimensions: the type of goal belief (task / outcome), and the type of control trust (positive / negative) that exists within the context of the business start-up process.

Entrepreneur Performance

Business performance definition refers to the level of achievement of performance or achievement of the company within a certain period. Company performance is an important development of the company. The purpose of the company consists of: continue to exist (profit) and development (growth) (Setyanti 2013), continued on the research also use 3 indicators that is 1) Sales growth, 2) asset growth and 3) profitability same with previous research by Suci et al 2009) and supported by Raymond and Pierre (2003).

Hypothesis

Self leadership to self efficacy

Self-leadership behaviors is action through their interaction with self-efficacy, this relationship is less pronounced when considering the behavior of external leaders (Prussia, 1998). Neck and Houghton (2006); Houghton (2002) that leadership behavior is self-perception. In particular emphasize the influence of leader's behavior on self-perception. (Neck P Christopher and John FM, 1994) stated that self-leadership mind frameworks make Self Efficacy better. The self-leadership strategy such as positive self-talk and mental imagery can improve the level of self-efficacy, the main determinant of belief and performance expectations, the same is true of Godwin's research (2016). Tsai et al (2014); Prussia et al (1998). Self leadership has the ability and influence how capabilities perception control and attitude.

H1: self leadership has a positive and significant effect on self efficacy

Self efficacy to entrepreneur performance

Purnomo Ratno (2010) states the entrepreneur performance is also determined by self-efficacy or known as a person's confidence in running a job. When entrepreneurs have the confidence to be able or have the ability to run their business, this tends to make the entrepreneurs will be able to achieve success in the business it runs. Entrepreneurship Self Efficacy (ESE) as a tool to see the degree to which individuals believe that they are capable of performing tasks related to new business management, the ESE can influence the effectiveness in which individuals manage their businesses once they establish them and how the ESE makes strategic decisions to achieve a goal (Daniel 2005). Individuals characterized by high self-efficacy tend to persist as problems arise, and actively seek challenges and, with existence, and challenging opportunities. In Spagnoli (2016); Self-efficacy has been identified as a key antecedent of entrepreneurial ventures and new business success and business performance in line with Aini et al (2015) innovation is the key to competitive performance. Self-efficacy has been identified as a key antecedent of entrepreneurial intent and business performance. In addition, several studies highlighted the strong relationship between self-efficacy and entrepreneurial performance (Hmieleski and Corbett, 2008)

H2: self efficacy has a positive and significant effect on entrepreneur performance

Self leadership to entrepreneur performance

Self-leadership such as positive self-talk and mental imagery can increase levels of self efficacy, a key determinant of self-confidence and performance expectations, potentially leading to more effective self-regulation and performance improvement (Carver and Scheier, 1998). Self Leadership can work to improve the effectiveness of self-regulation by improving self-focus, goal-setting process, valence and saliency goals, feedback processes, and task-related self-esteem or performance expectations (Christopher and Jeffery, 2006).

H3: self leadership has a positive and significant effect on entrepreneur performance

The role of self efficacy in mediating the effect of self leadership on entrepreneur performance

Drnovs ek (2010) states that the goal belief with the goal of the entrepreneur must be in line, in line with the replacement of negative thinking with positive then the confidence will be able to make a new business will emerge, things like this that make a difference in terms of tasks and results of business. Self effectiveness refers to individual conscious beliefs on their own ability to produce desired results in the performance of a particular task (Bandura, 1997). Leader behavior is reflected by his own self-efficacy and then Houghton (2002) Takes the conclusion that self-leadership can work together with a unique self-control strategy designed to

improve individual performance. Christopher's Research (2004) Self-leadership strategies such as positive self-talk and mental imagery can increase the level of self-efficacy, the main determinant of confidence and performance expectations.

H4: self efficacy mediating the effect of self leadership on entrepreneur performance.

III. Research Methods

Procedure

Technique Sample used in this research is survey method where all population become sample of research that is 34 sample. Data analysis technique used is Structural Equation Model (SEM) with variance based or component based approach or Partial Least Square (PLS). In the SEM method the relationship of causality between exogenous variables and endogenous variables can be determined more fully. By using SEM not only the causality relationship on the variables or constructs that contribute to the formation of the construction can be determined in magnitude (Abdullah, 2015: 352).

Result

Respondent in this research is 34 of young entrepreneurs in Denpasar of year of birth in 1981-1944 more with a percentage value of 91%, greater than respondents with birth year below 1990 and above 1995. Respondents were dominant of male with percentage value of 53%, greater than female respondents. Respondents with the highest level of undergraduate education with a percentage of 91%. Respondents with length of business more than 3 years at most with percentage of 85%.

Inner model tested by R-square value, which is a goodness of fit test for the model. In this structural model, self efficacy (Y_1) and entrepreneur performance (Y_2) are dependent variable. The determination coefficients (R^2) from each dependent variable are presented in Table 1. Below

Table 1: Nilai RSquare

Variabel Endogen	R-Square
<i>Entrepreneur performance</i>	0,50
<i>Self efficacy</i>	0,36

Source: Primary Data, 2017

To measure how well the observation value is generated by the model and also the parameter estimation, it is necessary to calculate Q-square as follows:

$$Q^2 = 1 - (1 - R1^2) (1 - R2^2)$$

$$Q^2 = 1 - (1 - 0.50) (1 - 0.36)$$

$$Q^2 = 1 - (0.50) (0.64)$$

$$Q^2 = 0.68$$

Q-square has a score with a range of 0 and 1, where if the value is close to 1, it means that the model is good. The calculation results obtained value of Q-square is 0.68, so it can be concluded that the model has a good predictive relevance.

The results obtained on hypothesis testing showed that four hypotheses had positive and significant effect. The test results shown at Table 2.

Tabel 2: Hypothesis Testing Result

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Self Leadership -> Entrepreneur performance	0,651	0,670	0,119	5,487	0,000
Self Leadership -> Self efficacy	0,600	0,617	0,111	5,416	0,000
Self efficacy -> Entrepreneur performance	0,346	0,342	0,174	1,990	0,047

Source: Primary Data, 2017

Hypothesis testing with PLS approach resulted in direct path coefficient of self leadership effect on Self efficacy with value 0,600, t-statistic 5,416, and P Values equal to 0,000. From these results it can be seen that t-statistics greater than 1,960 (t table), and P Values less than 0.05, so it is concluded that hypothesis 1 (H1) which mentions self leadership positive effect to self efficacy accepted. That is, self leadership has a positive and significant impact on Self efficacy. The higher the value of self-leadership the higher the self efficacy, and

vice versa. Hypothesis testing with PLS approach resulted in direct effect coefficient of Selfefficacy influence to entrepreneur performance with value 0,346, t-statistic 1,990, and P Values equal to 0,047. From these results it can be seen that t-statistics greater than 1,960 (t table), and P Values less than 0.05, so it is concluded that hypothesis 2 (H2) which mentions Selfefficacy positive effect on entrepreneur performance is accepted. This means that Selfefficacy has a positive and significant effect on entrepreneur performance. The higher the value of Selfefficacy the higher the entrepreneur performance, and vice versa.

The indirect effects test through self efficacy as mediation variables, are presented in Table 3.

Table 3: Indirect Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)
Self Leadership -> Entrepreneur performance	0.443	0.461	0.195	0.195
Self Leadership -> Self efficacy	0.600	0.617	0.111	0.111
Self efficacy -> Entrepreneur performance	0.346	0.342	0.174	0.174

Source: Primary Data, 2017

Tests on the influence of intervening variables with the dependent variable are done by calculating the Sobel formula the results of the two tests are summarized as follows. The value of direct influence of self-leadership variable to entrepreneur performance is 0.433.

$P_1 = \text{Self Leadership} \rightarrow \text{Self efficacy} = 0,600$

$P_2 = \text{Self efficacy} \rightarrow \text{Entrepreneur performance} = 0,346$

$Se_1 = 0,111$

$Se_2 = 0,174$

The amount of indirect coefficient of self-leadership variable to entrepreneurship performance is the multiplication of the influence of self-leadership variables against self efficacy variables with self efficacy against entrepreneur performance, so obtained as follows:

$$P_{12} = P_1 \cdot P_2$$

$$P_{12} = (0,600) \cdot (0,346)$$

$$P_{12} = 0,2076$$

The large standard of indirect self-error of self-leadership towards entrepreneur performance is the multiplication of the influence of self-leadership against self efficacy with self efficacy against entrepreneur performance, so obtained as follows:

$$Se_{12} = \sqrt{P_1^2 Se_1^2 + P_2^2 Se_2^2 + Se_1^2 Se_2^2}$$

$$Se_{12} = \sqrt{(0,600)^2 (0,111)^2 + (0,346)^2 (0,174)^2 + (0,111)^2 (0,174)^2}$$

$$Se_{12} = \sqrt{0.004436 + 0.003625 + 0.000373031}$$

$$Se_{12} = \sqrt{0.008433112}$$

$$Se_{12} = 0.091831978$$

Thus, t test can be obtained as follows:

$$t = \frac{P_{12}}{Se_{12}} = \frac{0.2076}{0.0918} = 2.261$$

The t value of 2,261 is greater than 1.96, meaning that the mediation parameter is significant. Then the self-efficacy model mediates the influence of self-leadership on entrepreneurship performance is acceptable. Thus Hypothesis 4 (H4) which mentions self leadership positively influence on entrepreneur performance with self efficacy mediation is proven. The result of the analysis stated that self leadership has positive effect to self.

IV. Discussion and Conclusion

The results of the analysis states that self leadership has a positive effect on self efficacy, meaning that startup with high self-leadership will make him also has self efficacy. This indicates that the self-leadership measured by the indicators of mental imagery, self-talk, dominantly affect the impact and affect the perception of control, self talk is the process of saying to yourself positive words, mental imagery the process of feeling (in the mind) it has happened and what it wants to happen. This is the thing that gives rise to self efficacy. This result is consistent with previous research conducted by godwin et al (2016) self talk, mental imagery, belief and

assumptions improve self efficacy, the main determinant is the positive thought used. Tsai et al (2014); Prussia et al (1998). Self leadership has the ability and influence how capabilities perception control and attitude. Byne (2011: 59) all that needs to be done is to establish what is really desirable and believe it will happen.

The results of the analysis suggest that self efficacy has a positive effect on entrepreneur performance, self-confidence and innovation is the dominant factor in improving self efficacy, self-confidence is something that impacts the founder will make him believe in his ability, he will believe he will be able to handle the situation and this is which made him reach his goal. While inovasion is able to make the ability to business still exist with this, by being able to coexist with change and not stay. This result is in accordance with previous research conducted by Daniel (2005); Spagnoli (2016); (Hmieleski and Corbett, 2008) key to a new business success / startup is the innovation that exists in self-efficacy owned by the entrepreneur. This is due to the self-efficacy of increasing self-confidence, although it is to complete the task associated with new business in the process. Byne (2011: 59) when believing the goal will occur and focus on the goal, it will make the goal drawn near you alone.

The results of analysis indicate that self leadership positively influence to entrepreneur performance, when self leadership is owned by a founder, it will have tools to improve performance. Self leadership has the ability to increase the effectiveness due to the ability to self-direction in running the work with self-talk and mental imagery, by mengdoktrin self with self talk and mental imagery it creates its own vision that he really wants, then puppies improve perception control over a goal. When having a definite purpose for what you want, you will be given the influence to walk on your own goal, this is in tune with what Byne (2011: 53) says. This result is in accordance with previous research conducted by (Neck P Christoper and john FM, 1994); Houghton (2002); (Christoper and jeffery, 2006); Carver and Scheier, (1998) self-leadership can improve self-regulation by improving self-focus, goal-setting process, valence and saliency goals, feedback processes, positive perceptions and task-related performance expected. In the practice of self-leadership can stimulate doing the job well, by way of self talk, mental imagery, belief and assumptions.

The results of the analysis show that when the self-leadership makes the founder self-directed effectively which is the impact of control perception of the dominant self-talk and mental imagery and belief and assumption make the founder bring self efficacy in him, when self efficacy increases make the founder have the confidence to do purpose and inovasion make founder can coexist with change. This is what makes entrepreneur performance run positive. This result is consistent with previous research conducted by Prussia (1998); Houghton (2002); Christoper (2004) Self leadership in general can affect self efficacy itself which then become positive performance. Drnovs oak (2010); Neck et al (1999) states that if an entrepreneur can replace positive thinking positively, a belief in running a new business will emerge, something like this will emerge and will make a difference in outcomes if it does not. When they have a goal and believe and believe in their own ability to accomplish what they want it to be, it demonstrates the ability to remove obstacles as negative thoughts replaced by positive thoughts (Bandura, 1997); Byne (2011: 69).

Research Implication

This result give some implications. Firstly, To improve self-leadership by trying to mentally evaluate the accuracy of self-beliefs about the situation at hand for asset growth (entrepreneur performance) to increase. Secondly, to improve self-efficacy by making the right decisions so that the growth of assets (entrepreneur performance) has increased. Thirdly, Improving the sense of imagining in mind a successful performance before actually doing a task for sales growth, assets, and profitability (entrepreneur performance) has increased. Forthly, always creative in running the business for sales growth, assets, and profitability (entrepreneur performance) has increased.

Limitation and Future Research

The population in this study is limited to young entrepreneurs in Denpasar. To test the consistency of the findings it is advisable to replicate by using a larger number of populations. Further research is suggested to test the consistency of findings by replicating and using more populations and in other areas and can add constructs other than self-leadership, and Self efficacy to be able to identify more deeply about entrepreneur performance.

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