

HUMAN CAPITALIZATION TOWARDS ENTREPRENEURSHIP EFFECTIVENESS

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Abstract. With increased emphasis being placed on entrepreneurial thinking and acting in today's businesses, human capitalization growing over the last two decades. The present study provides a systematic review of the literature on the theoretical foundations, measurement, antecedents, and outcomes of EA, ESE and social support. Based on the review, an agenda for future research is developed and implications for entrepreneurship education and training highlighted. In doing so, the need to consider alternative theoretical perspectives to improve understanding of how human capitalization growing influences outcomes at different levels of analysis is highlighted. In addition, the review identifies a need to examine the success factors which drive short-term fluctuations and long-term changes in small business.

Keywords: *human capital, self-efficacy, training, attitude, social support*

Introduction

How individuals think and act in businesses is becoming an interesting matter for scholars, educators and policy makers to know who seek help either individually or inside the organizations on business success. In entrepreneurial research, the process of discovery, creations, evaluation and use of opportunities for the development of product and services is generally described as entrepreneurship. As individuals are increasingly facing uncertain career paths, needed for attitude shaping, self-efficacy and social support at the secure stage before entering entrepreneurial field (Yoon et al., 2020; Zacher and Johnson, 2015; Antoncic and Hisrich, 2001). While researchers claim that the positive impact of entrepreneurial success decreased and only the smaller percentage of active entrepreneurial start-ups have the ability to generate employment opportunities driven by effective resources allocation (Yoon et al., 2020). In addition, entrepreneurship skills were highlighted as part of the overall skills required to succeed in modern competitive occupations (Savickas et al., 2009), e.g. to handle your career in an unpredictable setting and adapt to new technological changing opportunities.

In other words, entrepreneurial attitude and self-efficacy, which refers to an individual's confidence in his/her ability to accomplish tasks and functions aimed at entrepreneurial results might enable people to grow their personal and productive career as a means to push significant societal changes (Yoon et al., 2020). Although researchers have studied the overall impact of the success method (a global perception of a capacity to solve any entrepreneurial tasks), most scholars believe that self-efficacy is a domain and specific ability in entrepreneurial success factor (Yoon et al., 2020;

Zacher and Johnson, 2015). The social cognitive theory of career, desires, choice and success illustrates that the impact on attitude growth and performance is occupationally-specific on self-effectiveness (unlike generalized self-efficacy) (Lent et al., 1994). The viewpoint of an organization, guided by self-efficiency is regarded as a leading to business that enables to understand the entrepreneurial attitude and activities of an entrepreneur (Bandura, 2010). ESE has emerged as a major psychological framework in the research field of entrepreneurship affecting enterprise motivation, purpose, actions and efficiency and is a critical objective of enterprise creation (Miao et al., 2017). Furthermore, ESE is increasingly important for business development and to remain sustain in the global market (Obschonka et al., 2017; Uy et al., 2015).

Entrepreneurial self-efficacy

Self-efficacy define as a person's confidence in their ability to complete a task. It is derived from past successes with a similar task and vicarious experience (Obschonka et al., 2017). Research has shown there is a positive correlation between self-efficiency, attitude and social support towards achievement of the business (Miao et al., 2017). Lent et al. (1994) expanded on Bandura's social-cognitive theory by said people are more motivated to take action when they believe they have the ability to complete a task. Various research has illuminated the relationship between self-efficacy for specific business success and goal achievements. There are several studies found a significant positive association between self- efficacy and self-rated abilities towards small business success. Vuong et al. (2010) studied the effects of self-efficacy on business success of first-generation farmers in Uganda found self-efficiency around their ability to achieve their desired outcomes from their academic background. It was predicted that business success and social support would be positively related to self-efficacy and life satisfaction respectively (Yoon et al., 2020). Career uncertainty was not correlated with self-efficacy or life satisfaction (Yoon et al., 2020). The results indicated that career engagement and social support had strong positive correlations with self-efficacy, and proved to be significant predictors as well (Yoon et al., 2020).

Entrepreneurial social support

Lin and Dumin (1986) defined social support as "perceived or actual instrumental and/or expressive provisions supplied by the community, social networks and confiding partners" The literature theorizes that the benefits of support is most beneficial when the content equals the weight of the stressor. Jacobson (1986) suggests the time it takes in which the support is delivered, immediately or delayed could influence the effectiveness and value for the receiver. The characteristics of the relationship between the supported and supporter is a vital component in the support-seeking process. The larger social environment also factors in the process in which support is utilized. An interconnected network may facilitate the flow of information and thus increase the speed or likelihood of a stressor becoming known to potential supporters. Being aware that a person has a support network readily available has positive effects on coping and well-being. These factors can be especially critical as their social network can be significantly impacted when they entering into business. Social support from family, peers, and others has been recognized as a critical protective factor. Social support could potentially contribute to self-efficacy and creation of entrepreneurial attitude. Hefner and Eisenberg (2009) found those with lower quality social support, especially from friends, were six times

more at risk of depressive symptoms when involving in the business. The role of social support has been demonstrated to have a strong influence in many domains of life. Social support accounted for 90.0 percent of the variance in life satisfaction above and beyond that by for career uncertainty, career engagement and other relevant demographic variables (Miao et al., 2017). Some of the studies found that social support was predicted to moderate the relationship between attitude and career engagement on business self-efficacy.

Interpersonal relationship

Relationships in business and management refer to a range of relations/cooperation between and across people and organization. Social events seemingly provide productive grounds to establish long-lasting relationships. Relationships that are built on social aspects have the potential to increase trust and good will between the parties. Besides customers, these participants seem to believe that the social aspect is an integral component of their relationships with suppliers, the workforce, the local wider community, and community-based organizations. The concept of informality seems to play a vital role in maintaining these relationships. Gender-based relationships or differences did not appear to be significant in the sample businesses. However, there were some clues in the data that some tasks, or perceived expertise, have possible implications of traditional gender roles (Obschonka et al., 2017). Ethnic minority business owners consider relationships with customers as a source of competitive advantage. They learn the 'core values' of developing and maintaining good relationships from their ethnic cultural base (Miao et al., 2017). Not all businesses viewed the importance of relationships in the same way. More established businesses were more concerned with maintaining long-term relationships with suppliers than newer and smaller businesses.

Training

On-the-job training was linked to self-confidence and thus, to saving time and money for these businesses. Participants seem to understand training needs and deliver them in ways that are, perhaps, very specific to this ethnic business sector. The way training is gained and delivered in this ethnic economy may be questioned outside the ethnic cultural space. Obschonka et al. (2017) found a highly locality and particularistic behavior in the sample business community towards entrepreneurship/small business ownership/management. Poor education background is regarded as the learning about a particular field that is derived from external sources seem guided to failure in business. The role of education in the dominant Western is propagated as 'one of the strongest drivers of entrepreneurship performance'. A few studies suggests that formal educational institutions such as colleges and universities play big role in the training and development of people who are intentionally too involved in businesses. Education was linked to the personal traits, thus, it might play an important indirect role towards business success. The education as something culturally-specific and not necessarily a process of learning by attending college/university courses (Miao et al., 2017). It may require further research to explore whether or not these attitudes to education are necessary required sufficient training (Uy et al., 2015). The concept of 'education' emerged such as customer service skills, relationships, knowledge, experience, training, and education factor that perhaps requires further research (Uy et al., 2015). These

factors are linked to the success of these businesses, some strongly and directly, while others not that strongly and indirectly. The perceived importance of these factors seems to be informed by the business culture as well.

Conclusion

From literature, observed a positive relationship between human capital development and self-efficacy for business development. The most common reason for failure in business is by lack of human capital in business venturing. In addition, various study suggested that consider adopting a “small business” by SME’s look to find ways to assist small businesses in startup and expansion business. Motivation as training should imply the topics ‘Secrets of Small Business Success, Understanding Business Taxes, Internet Marketing/SEO, Using Social Media, Strategic Planning, and Getting Investors for Your Business, Small Business Accounting, Pricing Strategies and Developing a Marketing Plan’. Technology should be used to deliver these workshops to business owners that have little time to leave their operations for training. Providing mentors for entrepreneurs may be one of the good ideas. It’s also consider networking of Informal business networks provide strong opportunities for entrepreneurs to learn from one another. A networking opportunity can be established on the website and the marketing materials that are developed can direct guide entrepreneurs. Creation a culture that supports small businesses by considering supporting a business incubator or developing new or existing shopping areas also a better suggestion.

Future practice

The literature illustrated the contrast between different business types and their needs for growth; small business owners are not all alike. Individuals enter into entrepreneurship for a number of different reasons, measuring their success on both financial and non-financial criteria, including lifestyle, flexibility and personal satisfaction (Miao et al., 2017; Estay et al., 2013; Walker and Brown, 2004). Aulet and Murray (2013). High growth entrepreneurs build a competitive advantage by bringing new ideas in the technical, market, or business-model domain and create what they call “innovation driven enterprises”(IDEs) with global opportunities for high growth potential. Lifestyle entrepreneurs create the more common type of startup, “small and medium enterprises” (SMEs) whose business ideas are more traditional and serve local markets. The requirements for these entrepreneurs vary significantly. To clarify these different needs, Blank (2013) goes further to differentiate six varieties of startups: 1.Lifestyle Startups: individuals create a business out of their passion so that they can continue to pursue their passion (a surfer with a surf shop, for example). 2.Small-Business Startups: the overwhelming number of small businesses are set up to “feed the family”, and many of these are barely profitable (hairdressers, carpenters, consultants, for example). 3.Scalable Startups: these entrepreneurs envision their company “changing the world” by building scalable businesses and seek venture capitalists who will eventually publicly trade the company (Facebook and Google, for example). 4. Buyable Startups: these are set up to be sold to larger companies (mobile apps, for example). 5.Social Startups: started by individuals who are passionate more to “make a difference” than to scale and grow a profitable enterprise (non-profits, for-profit, or hybrids). 6.Large-Company Startups: these large corporations are experiencing shorter life cycles and disruptive changes from external threats which require innovation for

business survival (Android and Google, for example). Although the needs of these entrepreneurial types are considerably different, governments that try to promote entrepreneurship generally group all startups together. Entrepreneurship programs (human capitalization) and education should address the differences between these founders and the financial strategies needed. Policy makers should decide which groups they want to help and grow; understanding them will make the difference between success and failure (Blank, 2013). The model developed needed to be used for future research to determine business friendliness. Additional research will aid how to incorporate technology to improve ease of use and provide clear information for entrepreneurs on developing human capital. Future studies could research the gap and identify ways that can develop and deliver training that facilitates business owner's success in their business. The further research in small businesses with a focus on specific sectors instead of traditional multi-sectorial research. Business owners and managers defined success along the lines of making a net profit or at least surviving as potentially profitable businesses in the long-term. Successful business is one that earns a profit, keeps growing, or survives, but does not incur a financial loss.

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