

Perceived entrepreneurial ability and the quality and quantity of entrepreneurial activities

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Abstract

Through a set of four papers this dissertation is aimed at understanding the role of subjective ability judgment in the form of perceived entrepreneurial ability in influencing the decision to initiate entrepreneurial activities. Recent studies suggest that the decision to initiate entrepreneurial activities could be influenced by subjective ability judgment i.e. positive perceptions of one's entrepreneurial ability. This dissertation extends this stream of research by comparing perceived entrepreneurial ability with actual ability and examines the role of these two ability dimensions in influencing the quality and quantity of entrepreneurial activities. In this dissertation entrepreneurial ability is defined as the cognitive and non-cognitive abilities necessary to undertake and pursue the tasks of new venture creation and management while perceived entrepreneurial ability is an individual's subjective judgment about his/her own entrepreneurial ability. The main premise of this dissertation is that perceived entrepreneurial ability is an important determinant of entrepreneurial behavior. Secondly, the impact of perceived entrepreneurial ability is higher than actual ability in the decision to initiate entrepreneurial activities leading to increase in the quantity of entrepreneurial initiatives. Thirdly, individuals with high actual ability are more likely to initiate entrepreneurial activities when they develop positive perceptions about their entrepreneurial ability. Fourthly, the interaction effect of high actual ability and perceived entrepreneurial ability is positive and influences both the decision to initiate entrepreneurial activities and the choice of innovative entrepreneurship. This implies that perceived entrepreneurial ability in conjunction with high actual ability is a source of quality entrepreneurship. To test the above premises this dissertation uses a large statistical sample with consistent definitions and concepts across multiple contexts. Overall the results of this dissertation support the contention that perceived entrepreneurial ability have a distinct and significantly positive influence on the decision to initiate t entrepreneurial activities and its impact is greater than actual ability. Furthermore, the joint effect of perceived entrepreneurial ability and high actual ability not only influences entrepreneurial action but also leads to innovative form of entrepreneurship.