

## Chapter 14

# Entrepreneurial Self– Efficacy of Indian Youth: Family Climate as a Driver

**Mayuri Srivastava**

*Birla Institute of Technology, Mesra, India*

**Shradha Shivani**

*Birla Institute of Technology, Mesra, India*

**Sraboni Dutta**

*J.D. Birla Institute, India*

### **ABSTRACT**

*This chapter empirically examines the significance of an individual's family climate and its six dimensions (open communication, intergenerational attention, intergenerational authority, emotional cohesion, cognitive cohesion and adaptability) in driving entrepreneurial self-efficacy. Responses to a structured questionnaire were collected from 1123 students from all over India through email. A stepwise regression analysis was performed using SPSS 26.0 to measure the strength of relationship between family climate dimensions and entrepreneurial self-efficacy of an individual. Additionally, a bivariate regression analysis was performed to examine the overall influence of family climate on entrepreneurial self-efficacy. The relationship between family climate (FC) and entrepreneurial self-efficacy (ESE) was found to be positive and statistically significant. Three dimensions of FC (i.e., open communication, emotional cohesion, and intergenerational attention) emerged as significant predictors of an individual's entrepreneurial self-efficacy.*

## **INTRODUCTION**

Post-independence, India has demonstrated resilience in recovering from various economic setbacks through progressive governmental policies. However, the persistent challenge of high unemployment rates continues to baffle policymakers. In light of the post-COVID-19 unemployment rate of 21.3% (CMIE, 2020) and the country's population of 1405.21 million (IMF, 2022), there is an urgent need to focus on establishing sustainable livelihood opportunities. The existing literature emphasizes the significant role of entrepreneurship in addressing the unemployment problem and driving economic development and growth in nations (Wosiek, 2023; Wiramihardja et al., 2022).

To foster entrepreneurship in a vast developing nation like India, it is crucial to cultivate Entrepreneurial Intention (EI) and its determinants among the youth (Tingting et al., 2022). Extensive research highlights a multitude of factors that influence an individual's EI. This scholarly work specifically focuses on Entrepreneurial Self-Efficacy (ESE), which has been identified as one of the significant antecedents of EI (Christensen et al., 2023; Lin et al., 2023; Wang et al., 2023). The Theory of Planned Behavior (Ajzen, 1991) and Shapero's Entrepreneurial Event Model (Shapero, 1984) are two notable conceptual frameworks that establish the positive impact of ESE on an individual's EI (Krueger et al., 2000).

ESE can be defined as an individual's belief in their ability to successfully initiate and operate a business venture (Chen et al., 1998). It is a psychological construct that reflects an individual's confidence in their capacity to identify entrepreneurial opportunities, mobilize resources, and overcome challenges in the pursuit of their entrepreneurial goals (António Porfírio et al., 2023).

Ample scholarly works have established that India operates as a collectivist economy, where social relationships and interdependence play a significant role (Sinha et al., 2002). Consequently, the influence of Family Climate (FC) on an individual's ESE (ESE) becomes inevitable within this cultural context (Park and Kang, 2022; Shao, 2022).

Family Climate, as described by Dandagal and Yarriswami (2017), refers to the environment in which a child grows physically, emotionally, and mentally. Within the literature, evidence highlights the crucial role of a favorable family climate in developing an individual's motivation (Cantero-García & Alonso-Tapia, 2018) and self-efficacy (Ciucci et al., 2018; Lv et al., 2018).

Considering that the concept of ESE stems from the broader construct of self-efficacy (Hsu et al., 2019), scholarly evidence suggests that the determinants of general self-efficacy also impact an individual's ESE (Jansen et al., 2015). Therefore, understanding the influence of Family Climate on ESE becomes crucial in comprehending the broader factors that shape entrepreneurial self-beliefs.

By exploring the relationship between Family Climate and ESE, this research aims to contribute to the existing literature on entrepreneurship in India. Recognizing the collectivist nature of the Indian economy and the potential impact of family dynamics on individuals' entrepreneurial aspirations and self-efficacy, this study seeks to shed light on how family climate can shape and influence ESE.

The findings of this study can provide valuable insights for policymakers, educators, and practitioners involved in entrepreneurship development programs. By understanding the specific aspects of family climate that contribute to the development of ESE, interventions and initiatives can be designed to foster a supportive and conducive family climate/ environment that encourages entrepreneurial aspirations among individuals.

Furthermore, this research can contribute to the broader understanding of the cultural and social determinants of entrepreneurship in India. By investigating the role of family dynamics in shaping

21 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

[www.igi-global.com/chapter/entrepreneurial-self-efficacy-of-indian-youth/328350](http://www.igi-global.com/chapter/entrepreneurial-self-efficacy-of-indian-youth/328350)

## Related Content

---

### Online Security Cues and E-Payment Continuance Intention

Echo Huang and Fa-Chang Cheng (2012). *International Journal of E-Entrepreneurship and Innovation* (pp. 42-58).

[www.irma-international.org/article/online-security-cues-payment-continuance/63016](http://www.irma-international.org/article/online-security-cues-payment-continuance/63016)

### Entrepreneurship (Enterprise) Financial Stability

Ayansola Olatunji Ayandibu and Samuel Olotuase (2023). *Entrepreneurship Ecosystems and Their Opportunities and Challenges* (pp. 1-14).

[www.irma-international.org/chapter/entrepreneurship-enterprise-financial-stability/330738](http://www.irma-international.org/chapter/entrepreneurship-enterprise-financial-stability/330738)

### Leadership Styles That Mostly Promote Social Entrepreneurship: Towards a Conceptual Framework

Çalar Doru (2023). *Research Anthology on Approaches to Social and Sustainable Entrepreneurship* (pp. 110-128).

[www.irma-international.org/chapter/leadership-styles-that-mostly-promote-social-entrepreneurship/316250](http://www.irma-international.org/chapter/leadership-styles-that-mostly-promote-social-entrepreneurship/316250)

### Social Entrepreneurship: Successful Factors of Organizations Developed by Adults in the Colombian Coffee Region

Jairo Alberto Vasquez Bernal (2021). *Entrepreneurial Innovation for Securing Long-Term Growth in a Short-Term Economy* (pp. 112-140).

[www.irma-international.org/chapter/social-entrepreneurship/272289](http://www.irma-international.org/chapter/social-entrepreneurship/272289)

### Intelligent Agent for Modeling and Processing Decisional Workflows in Logistics

Thomas Tamisier and Fernand Feltz (2011). *International Journal of E-Entrepreneurship and Innovation* (pp. 49-57).

[www.irma-international.org/article/intelligent-agent-modeling-processing-decisional/62081](http://www.irma-international.org/article/intelligent-agent-modeling-processing-decisional/62081)