Unraveling The Nexus: Locus Of Control, Self-Efficacy And Their Interplay In Shaping Role Stress

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Abstract

The primary objectives of this research are to determine the connection between individual Personality Traits (specifically, Self-Efficacy and Locus of Control) and the experience of role-related Stress (including Role Ambiguity and Role Overload). To assess the relationship, Structural Equation Modeling (SEM) was employed. The model testing was conducted using a sample of 304 Indian micro entrepreneurs. Our findings indicate that there is no notable connection between Locus of Control and role stress (specifically, Role Overload and Role Ambiguity). The outcomes of the study suggest that Self-Efficacy does not influence Role Ambiguity and Role Overload. However, there is a correlation between Self-Efficacy and Locus of Control. This research adds to the current body of knowledge by highlighting that the absence of a substantial relationship between Personality Traits and Role Stress occurs when they are not employed as mediators or moderators.

Key words: Locus of Control, Self-Efficacy, Personality Traits, Role Stress, Role Ambiguity, Role Overload.

Introduction

Entrepreneurs serve as the central driving factor behind economic growth, the generation of employment opportunities, and the reduction of poverty in developing nations. The concept of entrepreneurship acts as a catalyst for economic advancement and rapid industrial progress (Baluku

et al., 2020 ; Nakara et al., 2020). Economic progress is predominantly viewed as a journey driven by technological shifts, introduced through the inventive capabilities of entrepreneurs (Haggen E 1961). Entrepreneurship is a burgeoning field of study.

The achievement of entrepreneurial endeavors is influenced by numerous factors both within and outside the business. Among these factors, the personal characteristics of entrepreneurs play a pivotal role in determining their success. Numerous research endeavors have been undertaken concerning the personality traits of entrepreneurs. However, there is still uncertainty about the extent of this connection due to prior research mainly concentrating on developed settings, using varying interpretations of personality traits and success metrics, and ignored potential combination of these variables in MSME area.

The current study of entrepreneurship literature remains surprisingly lacking in the creation of a comprehensive and unified definition of the entrepreneurial personality (Obschonka, Stuetzer, 2017). While entrepreneurs are often portrayed as having a strong passion and enthusiasm for their enterprises (Baum JR, Locke EA 2004; Shane S, Locke EA, Collins CJ 2003) they are equally susceptible to experiencing negative emotional conditions such as anxiety, fear, and stress (Chen XP, Yao X, Kotha S ,2009). These emotions, in turn, impact various aspects of entrepreneurship, including their judgment and ability to recognize opportunities, decision-making processes, and creative thinking.

Research indicates that individuals are at a higher risk of experiencing stress and burnout in their work environment if they possess a weaker sense of Locus of Control. This refers to their tendency to believe that external factors hold greater influence over shaping the future, as opposed to a stronger sense of personal control (Schmitz et al., 2000). Over the last twenty years, the importance of personality traits like Locus of Control and Self-Efficacy has been notable within the domain of personality research. In the context of this study, we considered personality characteristics such as Locus of Control and Self-Efficacy.

The demands and responsibilities associated with entrepreneurial roles often result in stress. However, entrepreneurs impose expectations on themselves to achieve

success (Hambrick, Finkelstein, & Mooney, 2005). Role stress becomes particularly noticeable in occupations demanding innovation, boundary spanning, or engagement with intricate tasks qualities inherent in entrepreneurial roles. Furthermore, the phase of transition from an idea to a fully-fledged venture can lead to role stress(Khan et al ,1964).

Role Overload pertains to scenarios in which entrepreneurs perceive an excessive number of responsibilities or tasks demanded from them within the constraints of time, their capabilities and other limitations (Rizzo et al., 1970). Based on empirical proof, it is clear that Role Overload stands as one of the most common sources of stress encountered by entrepreneurs (Wincent and Örtqvist, 2009; Stroe et al., 2018). The entrepreneurial role defined by its inherent ambiguity (Schere 1982). Entrepreneurs encounter significant stress in the forms of Role Overload, Role Ambiguity, and role conflict. Buttner (1992), discovered that entrepreneurs encountered greater levels of Role Ambiguity compared to managers. In the scope of this study, we focused specifically on Role Overload and Role Ambiguity. We focused on examining the connection between Locus of Control and Self-Efficacy concerning Role Ambiguity and Role Overload. Most of the research emphasizes that these variables function effectively as mediators and moderators. This study addresses a gap left by previous research, which overlooked the direct links between these variables.

Hypotheses

Locus of Control , Role Ambiguity and Role Overload

The construct of Locus of Control was conceptualized within the context of social learning theory and was initially introduced as a personality trait by Rotter (1966). Locus of Control pertains to an individual's confidence in their capacity to influence life events (Strauser et al., 2002). Individuals who possess a strong internal Locus of Control generally exhibit greater perseverance, are more inclined to embrace challenges, and view themselves as the architects of their own achievements (Kirkcaldy et al., 2002). The variation in work satisfaction among small business owners was shown to be significantly attributed to differences in their Locus of Control. In the study conducted by Owens and colleagues , they discovered positive

connections between Locus of Control and emotional resilience, willingness to take risks, and the capacity to tolerate financial uncertainty (Owens et al., 2013). An notable distinction in the perceived level of Role Ambiguity between individuals with an internal Locus of Control and those with an external Locus of Control. Furthermore, substantial correlations were identified between Locus of Control, role conflict, and Role Ambiguity (Basım et al., 2010).

The impact of role stress on higher-level perceptions of rewards and exhaustion is influenced by individual personality traits, organizational elements, and environmental circumstances (Wincent & Örtqvist, 2009).We identified an unaddressed gap in previous research where the focus was on the role of Locus of Control as either a mediator or moderator, particularly in conjunction with role stress. Consequently, our one of the objective is to examine the significant impact of Locus of Control on role stress.

H1: Locus of Control has an impact on Role Ambiguity

H2: Locus of Control has an impact on Role Overload

Self-Efficacy, Role Overload and Role Ambiguity

Self-Efficacy refers to an individual's cognitive assessment of their ability to harness the motivation, cognitive abilities, and strategies required to exert influence over the outcomes and circumstance in their life (Wood & Bandura, 1989). Individuals strategically plan and select their career trajectories by evaluating their own abilities in comparison to the demands of various professions. This self-assessment guides individuals to pursue and enter fields where they feel capable and effective, while steering clear of occupations where they perceive a deficit in their competence.(Scherer et al., 1989). Embarking on entrepreneurship or launching a fresh enterprise is frequently characterized as a deliberate and purposeful decision in one's career path (Bird, 1988).

Many entrepreneurs are compelled to discontinue their pursuits due to encountering diverse entrepreneurial risks and difficulties, along with psychological strain and emotional depletion (Kasouf et al., 2015; Bradley & Roberts, 2004). Brown et al., 2005 stated that the impact of Self-Efficacy and goal level on performance is influenced by the level of Role Overload.

Specifically, when Role Overload is at a low level, both Self-Efficacy and goal level have a positive relationship with performance, but this relationship loses significance when Role Overload is high. Moreover, the findings unveil a situation of moderated mediation, where goal level acts as a mediator between Self-Efficacy and performance under conditions of low Role Overload, but this mediation is not observed under high Role Overload. There are two indications that Role Ambiguity might have a negative impact on Self-Efficacy. Firstly, Role Ambiguity reduces the quality of accessible information, which is crucial for precisely assessing one's ability to complete a task. Additionally, according to social cognitive theory, there is another factor to consider (Bandura, 1997). Li & Bagger, 2008 found out that Self-Efficacy was not significantly related to Role Ambiguity.

H3: Self-Efficacy has an effect on Role Ambiguity

H4: Self-Efficacy has an effect on Role Overload

H5: Locus of Control has an relation with self -efficacy

Methods

Participants

The researcher examined 304 Indian entrepreneurs operating within the Micro category. This research specifically focused on the manufacturing sector.

Instruments

The measurements utilize scales derived from previous works: Schwarzer et al.'s 1995 research for Self-Efficacy, A.R. Craig et al.'s 1984 study for Locus of Control (using the LCB - Locus of Control Behavior Scale), GW Juhan's 1993 work for Role Ambiguity, and Akhilendra K. Singh and Sahana Singh's 2020 study for Role Overload. All these variables are assessed using a five-point Likert Scale.We used SPSS version 22 and AMOS version 22 for analyses.

Results

The variables exhibit Cronbach's alpha coefficients ranging from 0.619 to 0.840. The Kaiser-Meyer-Olkin (KMO) values are equal to or greater than 0.5, ranging between 0.526 to 0.808.

All variables show significant Bartlett's test statistics. As a result, we proceeded with Structural Equation Modeling (SEM).

Structural Equation Model

A structural equation model was employed using AMOS to examine the associations. The model comprises four variables accompanied by fourteen statements. Goodness of fit indices for the model was presented in Table 1. The p-value is recorded as 0.00, indicating significance as it is less than 0.05. The evaluation demonstrates that the indices of CMIN/DF (2.418), GFI (0.912), AGFI (0.889), NFI (0.876), and CFI (0.922) suggest an acceptable level of fit. The RMR value of 0.092 indicates a moderate fit. Additionally, the RMSEA value stands at 0.068, which is below the recommended threshold of 0.08 (Hairet al.,2010). The study accessed the impact of Locus of Control and Self-Efficacy on Role Ambiguity and Role Overload .and also accessed the relationship between Locus of Control and Self-Efficacy. The impact of Locus of Control on Role Ambiguity and Role Overload was negative and insignificant (b=-0.0245 & -0.067,

t =-1.070 & -0.388, p=0.311 & 0.698), not supporting H1 & H2. The impact on Self-Efficacy on Role Ambiguity and Role Overload was positive and insignificant (b=0.231 & 0.108, t =1.014 & 0.624, p =0.311 & 0.532), H3 and H4 were not supporting. The Locus of Control and Self-Efficacy has positive direction of relation between these variables (b=0.171, t=7.441, p= <0.05), supporting H5. Model fit indices and Hypotheses results are presented in Table -1.

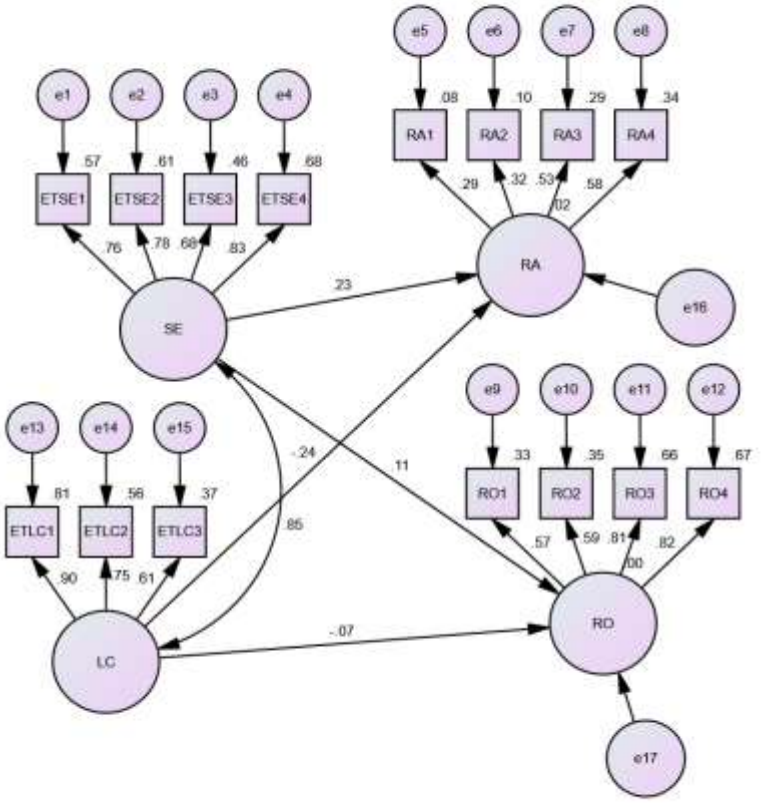

Table-1

Hypothesized Relationship	**Standardized Estimates**	**t- value**	**p-value**	**Decisions**
LC → RA	-0.245	-1.070	0.311	Not supported
LC → RO	-0.067	-0.388	0.698	Not supported
SE → RA	0.231	1.014	0.311	Not supported
SE → RO	0.108	0.624	0.532	Not supported
LC SE◄►	0.171	7.441	***	Supported
Model fit				
CMIN/df = 2.418, GFI= 0.912, AGFI= 0.889, NFI =0.876, CFI =0.922, RMR=0.092 ,and RMSEA=0.068				

Conclusions

The purpose of this research is to find out the impact and relation between Self-Efficacy (SE), Locus of Control (LC), Role Ambiguity (RA) and Role Overload (RO). All other hypotheses are not supported except the relation between Locus of Control

(LC) and Self-Efficacy (SE). The fundamental query that needs addressing at this juncture pertains to the underlying reasons behind the varying degrees of perceived conflict between roles and uncertainty about roles among individuals employed within the same sector. In this instance, it becomes imperative to investigate the influence of personality-related variables. As previously mentioned, one of the pivotal personal factors under scrutiny for elucidating this divergence is the concept of 'Locus of Control'. To ascertain whether discrepancies in levels of Role Overload and Role Ambiguity stem from internal or external Locus of Control orientations, it becomes necessary to isolate organizational influences. To achieve this, a judicious approach would involve the selection of entrepreneurs possessing akin personal characteristics, all operating within the same organizational framework and environment. The absence of a notable connection between Self-Efficacy and Role Ambiguity is affirmed by the findings from the research conducted by Li & Bagger in 2008. Modifications in Self-Efficacy impact Locus of Control. However, Smith (1989) contradicted this outcome in his research, asserting that alterations in Self-Efficacy are not linked to changes in Locus of Control. This research adds to the current body of knowledge by highlighting that the absence of a substantial relationship between personality traits and role stress occurs when they are not employed as mediators or moderators.

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