

Self-Efficacy and Digital Transformation as Drivers of Entrepreneurial Success

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Abstract

The increasing digitalization of the business landscape has significantly influenced entrepreneurial success, particularly in the culinary SMEs sector. Self-efficacy and digital transformation are key factors that drive entrepreneurial growth, enhancing business performance through technological adaptation and confidence in business operations. However, the relationship between these factors and entrepreneurial success remains underexplored, particularly in developing regions. This study aims to examine the impact of Self-Efficacy and Digital Transformation on Entrepreneurial Success, with Entrepreneurial Intention as a mediating variable. The study employs a quantitative research approach using path analysis in SPSS 24. Data were collected from 150 SMEs owners in the culinary sector in Garut Regency, selected through purposive sampling. These findings suggest that building self-efficacy and integrating digital technologies are essential for entrepreneurial success. Entrepreneurs should focus on digital literacy training and confidence-building programs, while policymakers should support digital transformation initiatives for SMEs.

Keywords: *Business Success, Entrepreneurial Intention, Digital Transformation, Self-Efficacy*

Introduction

The contemporary landscape of entrepreneurship, particularly within the culinary sector, the interplay between self-efficacy and digital transformation emerges as a pivotal driver of success. Self-efficacy, defined as an individual's belief in their capacity to execute behaviors necessary to produce specific performance attainments, plays a crucial role in motivating entrepreneurs to embrace digital tools and strategies. This is particularly relevant in the culinary business, where digital transformation can enhance customer engagement, streamline operations, and improve overall business performance. Research indicates that self-efficacy significantly influences the adoption of digital capabilities, which are essential for navigating the competitive landscape of the food industry [1][2].

The culinary sector has witnessed a substantial shift towards digitalization, driven by changing consumer preferences and the need for operational efficiency. Entrepreneurs in this field must not only possess culinary skills but also the digital literacy required to leverage online platforms for marketing, sales, and customer interaction. Studies show that a strong sense of self-efficacy can empower culinary entrepreneurs to engage with digital technologies more effectively, thereby enhancing their business performance [3][2]. For instance, the ability to utilize social media for marketing or to implement online ordering systems can be significantly influenced by an entrepreneur's confidence in their digital skills [1].

Moreover, the relationship between self-efficacy and digital transformation is further underscored by the necessity for continuous learning and adaptation in the fast-evolving culinary market. As digital tools and platforms evolve, entrepreneurs must remain agile and willing to update their skills. Research has demonstrated that self-efficacy is a critical factor in fostering a proactive learning

attitude, which is essential for successful digital transformation in the culinary business [2][4]. This adaptability not only facilitates the integration of new technologies but also enhances the overall entrepreneurial mindset, leading to innovative practices that can set a culinary business apart from its competitors [2].

In conclusion, the synergy between self-efficacy and digital transformation is vital for entrepreneurial success in the culinary sector. As entrepreneurs cultivate their self-efficacy, they are better equipped to embrace digital innovations, which in turn can lead to improved business outcomes. This dynamic relationship highlights the importance of fostering self-efficacy as a foundational element in the digital transformation journey of culinary entrepreneurs.

Literature Review

The concepts of self-efficacy, digital transformation, and entrepreneurial success are interlinked and critical in understanding the dynamics of modern entrepreneurship, particularly in the context of the culinary industry. Self-efficacy, as defined by Bandura, refers to an individual's belief in their ability to succeed in specific situations or accomplish a task. This belief significantly influences entrepreneurial intentions and behaviors, as individuals with high self-efficacy are more likely to take initiative, persist in the face of challenges, and ultimately achieve success in their ventures [5][6][7]. In the culinary sector, where creativity and risk-taking are paramount, self-efficacy can empower entrepreneurs to innovate and adapt to changing market demands.

Digital transformation, on the other hand, encompasses the integration of digital technology into all areas of a business, fundamentally changing how businesses operate and deliver value to customers. In the culinary industry, this transformation can manifest through the use of online ordering systems, social media marketing, and data analytics to understand consumer preferences [8][9]. The successful implementation of digital tools not only enhances operational efficiency but also improves customer engagement and satisfaction, which are critical for entrepreneurial success. Research indicates that entrepreneurs who embrace digital transformation are better positioned to compete in today's fast-paced market, as they can leverage technology to streamline processes and reach wider audiences [9][7].

The relationship between self-efficacy and digital transformation is particularly noteworthy. Studies have shown that individuals with higher self-efficacy are more likely to engage with and adopt new technologies [10][11]. This is crucial in the culinary industry, where the ability to utilize digital platforms can significantly impact business outcomes. For instance, entrepreneurs who believe in their digital capabilities are more inclined to experiment with online marketing strategies or e-commerce solutions, thereby enhancing their business's visibility and profitability [12]. Furthermore, entrepreneurial education plays a vital role in fostering self-efficacy and equipping individuals with the necessary skills to navigate digital landscapes [13][14]. As such, educational institutions that emphasize entrepreneurship and digital skills can cultivate a new generation of culinary entrepreneurs who are both confident and competent in leveraging technology for business success. In summary, self-efficacy and digital transformation are critical drivers of entrepreneurial success, particularly in the culinary sector. A strong belief in one's abilities can facilitate the adoption of digital technologies, which in turn enhances business performance and customer engagement. As the culinary landscape continues to evolve, fostering self-efficacy through education and practical experience will be essential for aspiring entrepreneurs to thrive in a digitally transformed environment.

Research Methods

This study employs a quantitative research approach with path analysis to examine the influence of Self-Efficacy and Digital Transformation on Entrepreneurial Success, with Entrepreneurial Intention as a mediating variable. A cross-sectional survey was conducted to collect empirical data from small, and medium enterprises (SMEs) in the culinary sector in Garut Regency. The population of this study consists of culinary SMEs operating in Garut Regency, which includes small restaurants, food vendors, catering businesses, and home-based food enterprises. The sampling technique used was

purposive sampling, selecting businesses that: 1) Have been in operation for at least two years to ensure business sustainability, 2) Utilize some form of digital technology in their business operations (e.g., online marketing, digital payments, or food delivery apps), 3) Are managed by entrepreneurs or business owners who actively make strategic decisions for their enterprises. The sample size was determined using Hair et al. (2010) recommendations for path analysis, which suggest a minimum of 5–10 respondents per observed variable. Given the four main variables (Self-Efficacy, Digital Adoption, Entrepreneurial Intention, and Business Success), the target sample size was set at 150 SMEs to ensure statistical robustness. The collected data were analyzed using SPSS 24 with the following statistical procedures. Path analysis was performed using multiple regression analysis in SPSS 24 to examine the direct and indirect effects between variables. The analysis included: 1) Testing direct relationships between Self-Efficacy, Digital Transformation, Entrepreneurial Intention, and Business Success, 2) Testing indirect effects using Entrepreneurial Intention as a mediating variable, 3) Calculating path coefficients (β), t-values, and p-values to determine the strength and significance of relationships. To assess whether Entrepreneurial Intention significantly mediates the relationship between Self-Efficacy, Digital Transformation, and Entrepreneurial Success, the Sobel test was conducted to determine the significance of indirect effects.

Results and Discussion

The results of the path analysis provide insights into the relationships between Digital Adoption, Self-Efficacy, Entrepreneurial Intention, and Business Success. The analysis reveals both direct and indirect effects, as shown in the model.

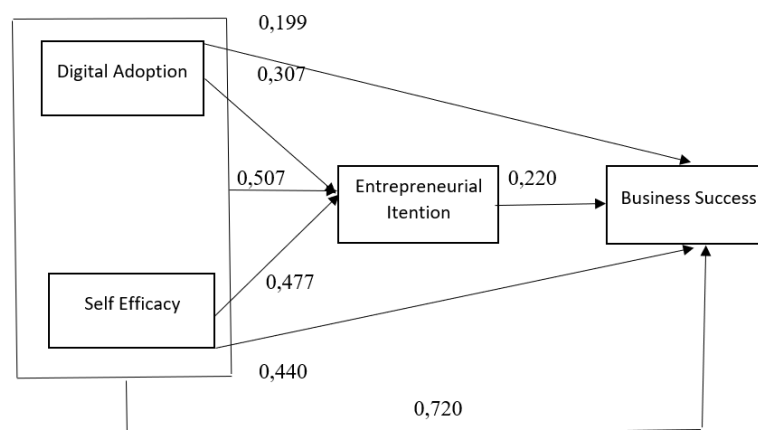


Fig 1. Path Analysis

1. Direct Effects

Digital Adoption → Entrepreneurial Intention (0.307, $p < 0.05$)

Digital Adoption positively influences Entrepreneurial Intention, indicating that entrepreneurs who embrace digital tools and technologies are more likely to develop strong business aspirations.

Self-Efficacy → Entrepreneurial Intention (0.507, $p < 0.05$)

Self-Efficacy has a stronger effect on Entrepreneurial Intention than Digital Adoption, suggesting that confidence in one's abilities plays a significant role in shaping entrepreneurial motivation.

Entrepreneurial Intention → Business Success (0.220, $p < 0.05$)

Entrepreneurial Intention positively impacts Business Success, though the effect is relatively moderate, indicating that intention alone is insufficient for achieving success.

Digital Adoption → Business Success (0.199, $p < 0.05$)

Digital Adoption directly improves Business Success, highlighting the importance of technology in modern business performance.

Self-Efficacy → Business Success (0.440, $p < 0.05$)

Self-Efficacy has a significant effect on Business Success, indicating that entrepreneurs who believe in their capabilities tend to perform better.

Digital Adoption \leftrightarrow Self-Efficacy (0.720, $p < 0.05$)

A strong correlation exists between Digital Adoption and Self-Efficacy, suggesting that digital competence enhances self-confidence in business operations.

2. Indirect Effects

Digital Adoption \rightarrow Business Success (through Entrepreneurial Intention) = $0.307 \times 0.220 = 0.0675$

The indirect effect suggests that digital adoption contributes to business success, but its impact is amplified when it strengthens entrepreneurial intention.

Self-Efficacy \rightarrow Business Success (through Entrepreneurial Intention) = $0.507 \times 0.220 = 0.1115$

Self-Efficacy enhances business success both directly and indirectly, meaning that individuals with confidence in their abilities are more likely to develop strong intentions and succeed in business.

Table 1. Total Effects on Business Success

Variable	Direct Effect	Indirect Effect (via Entrepreneurial Intention)	Total Effect
Digital Adoption	0.199	0.0675	0.2665
Self-Efficacy	0.440	0.1115	0.5515

The total effect analysis confirms that Self-Efficacy (0.5515) is the strongest driver of Business Success, followed by Digital Adoption (0.2665) according table 1.

The results indicate that Digital Adoption positively impacts both Entrepreneurial Intention (0.307) and Business Success (0.199). This finding aligns with previous research, which suggests that digital tools enable entrepreneurs to access markets, streamline operations, and enhance business performance. However, the relatively lower impact of Digital Adoption on Business Success compared to Self-Efficacy suggests that technology alone is not enough—entrepreneurs need strong self-belief to translate digital capabilities into business growth. Self-Efficacy was found to have the strongest total effect on Business Success (0.5515), both directly and indirectly. Entrepreneurs who are confident in their abilities tend to take more strategic risks, adapt to challenges, and persist in business endeavors, leading to better outcomes. This aligns with the theory that entrepreneurs with high self-efficacy are more likely to succeed because they are proactive, resilient, and resourceful. Entrepreneurial Intention plays a partial mediating role between Digital Adoption, Self-Efficacy, and Business Success. While individuals with higher self-efficacy and digital adoption tendencies are more likely to develop entrepreneurial intentions, the effect on business success remains moderate (0.220). This suggests that while having an entrepreneurial mindset is important, external factors such as financial resources, market conditions, and business strategy also play a role in determining success. The strong correlation (0.720) between Digital Adoption and Self-Efficacy suggests that entrepreneurs who are comfortable using digital tools tend to have higher confidence in their abilities. This highlights the importance of digital literacy training programs, as they not only enhance technological skills but also boost self-efficacy, leading to improved business performance.

Conclusion

This study examines the impact of Self-Efficacy and Digital Transformation on Entrepreneurial Success, with Entrepreneurial Intention as a mediating variable, in the culinary MSME sector in Garut Regency. The results confirm that both Self-Efficacy and Digital Transformation play significant roles in driving business success.

The findings reveal that Self-Efficacy has the strongest direct effect on Business Success ($\beta = 0.440$, $p < 0.05$), suggesting that entrepreneurs who are confident in their abilities tend to perform better. Digital Adoption also positively affects Business Success ($\beta = 0.199$, $p < 0.05$), indicating that integrating technology into business operations enhances performance. Additionally, Entrepreneurial Intention has a moderate effect on Business Success ($\beta = 0.220$, $p < 0.05$), meaning that while entrepreneurial motivation contributes to business performance, other factors also play a role. The mediation analysis confirms that Entrepreneurial Intention partially mediates the relationship between Self-Efficacy, Digital Transformation, and Business Success. Furthermore,

there is a strong correlation between Self-Efficacy and Digital Adoption ($r = 0.720$, $p < 0.05$), highlighting that confidence in digital skills improves technology adoption.

These findings suggest that enhancing self-efficacy and promoting digital transformation are crucial for entrepreneurial success. Entrepreneurs should invest in digital literacy training and confidence-building programs, while policymakers should support digital adoption initiatives for MSMEs. Future research should explore additional influencing factors such as financial resources, competitive market dynamics, and government support to gain a deeper understanding of entrepreneurial success.

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