



**IMPACT OF SELF EFFICACY ON OWNERS OF SMALL
MEDIUM SIZED ENTERPRISES AND THEIR FIRM
PERFOMANCE.**

**)A GENDER BASED STUDY WITH SPECIAL REFERENCE TO BADULLA
DISTRICT)**

*This dissertation is submitted as a partial fulfillment of the degree of Bachelor of Business
Management in Entrepreneurship and Management*

Index number: UWU/EX/12/0219

Name of the candidate: S.D Liyanage.

Year 2016

ABSTRACT

Self-efficacy is often an overlooked, but critical component to successfully completing a task in the workplace. The relationship between self-efficacy and performance is critical and lays the foundation for how each owner interacts with his work and what he is capable of achieving. Further, the level of self-efficacy of the individuals also can differ among individuals. Accordingly, past studies shown mix findings related to the self-efficacy of owners and firm performance relationship. The aim of this study is to investigate the impact of self-efficacy of Small and Medium business owners on firm performance. More specifically, study examined whether there is any variation in self-efficacy in terms of gender differences of the owners. The study investigated four major dimensions of self-efficacy in general (vicarious experience, verbal persuasion, emotional arousal, performance accomplishment). A sample consists of 80 owner managers from Badulla District and simple random sampling method was adopted to select the respondents. Further, this study employed self-administered questionnaire to collect data. Besides, the data were analyzed by using descriptive, correlation, multiple regression analysis and one-way ANOVA. Results significantly supported to conclude that self-efficacy is one of the strong predictors of firm performance and there is a strong positive relationship exists between self-efficacy and firm performance. Besides, the results revealed that the owners in Badulla district were highly possessing the emotional arousal self-efficacy compared to other dimensions. Additionally, females are low self-efficacious than males and their performance is significantly low. However, there is no difference in the level of self-efficacy and firm performance in terms of age and education level. It is suggested that the owner managers should develop their talents, organize themselves to be effective and be motivated to perform better.

Index Terms – Self-efficacy, Firm Performance, SMEs Owner Managers