Self-efficacy and Individual Performance – Lessons from Marketing Research

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Abstract: The objective of this paper is to highlight several important marketing research findings around the concept of self-efficacy and draw from them lessons for the individuals and managers that could enhance their task performance as well as that of the people they are managing or working with. Prior research shows that changing certain behaviors or enabling a desired performance constitutes important interdisciplinary issues with practical impact at economic, social and individual level. Many of the models used to understand and predict consumer behavior propose that intention alone poorly predicts performance of a behavior and is needed a certain amount of control, abilities or skills. The concept of self-efficacy is particularly interesting in understanding human performance (or the lack of it) due to its context specificity, its importance on actual performance and its flexibility, as individuals can easily improve on it. The current results picture sometimes self-efficacy as a mediating variable for performance, some other times as a moderating factor in tackling constraints on behavior. The implications of the research on self-efficacy are relevant for managers as well as for the individuals themselves. The value of these findings is that, in spite of some diverging perspectives in behavior modelling, the marketing research studies highlight important ways in which individuals could use the concept of self-efficacy in improving their performance, through awareness.

Keywords: self-efficacy, consumer behavior, individual task performance, self-efficacy improvement.

JEL Classification: D83; M31

1 Introduction

Individuals are constantly involved in changing their behavior, whether we speak of behaviors directly linked to economic activity (like buying and using products and services) or other types of behavior that may have an economic dimension (like giving money for charity, recycling, or having more initiative in the workplace, etc.). Consumer behavior literature provides several models that account for the main factors that determine enactment, most frequently tested models taking an internal perspective and focusing on the psychological factors of the individual. One of the internal factors that received much attention is motivation, frequently equated as intention, and having as its main antecedents attitudes and internalized social norms. However, another important factor for individual behavior was recognized in possessing the abilities, skills and control to perform that action and this paper will focus on this important factor and the findings provided by marketing research.
The effort to understand and interpret economic individual behavior is academically situated at the crossroads of economic psychology and marketing science – namely the study of consumer behaviors and that of marketers as well as their interaction (Foxall, 2001). The common approach in marketing and consumer research for explaining and predicting behavior is mostly cognitive. This article will start as well from this cognitive perspective.

Whether a person has the ability to perform a certain action was conceptualized in certain models as perceived behavioral control (in TPB, Ajzen, 1991) or as locus of control or as self-efficacy (as proposed in the model of Olander and Thogersen (1995)). Even though some skills can be measured objectively, all above concepts related to ability take on a subjective perspective. This perspective is highly important as people with similar skills (as measured objectively) aren’t always capable of enacting similar behaviors. Self-efficacy is a concept that was found a possible explanation for these differences and it was frequently used in marketing research. Self-efficacy has also several features that make it easy to study and sometimes easy to improve on, as several findings show.

According to Bandura (2012), self-efficacy beliefs are important for human performance as they are motivating the individual to persevere in the face of challenge, they are determining the individual goals pursued and also the responsibility the person will assume in case of success or failure. The individual belief in one’s own capabilities also determines the inner management of emotional states, affecting eventually the quality of life, as the presence of higher self-efficacy leads to a lower vulnerability in the face of stress and depression. Finally, self-efficacy beliefs influence the individual development and evolution as well as the set alternatives considered in important choices in life. Thus, self-efficacy contributes actively to the path in life people choose and to what they eventually become.

Self-efficacy is an interesting concept that can be used in performance improvement at individual level as well as at business development level. In the following section, we will present the theoretical background, and then we will discuss several studies which portray how self-efficacy is measured and used in research. Next section presents important findings from self-efficacy research in business area thus identifying implications for practically using the concept in performance improvement. The conclusions sum up the main lessons from marketing research about using self-efficacy, highlighting also several limitations and future developments in studying self-efficacy.

2 Consumer Behavior and Self-Efficacy – the Theoretical Background

The subjective perspective on the abilities involved in behavioral performance is recognized by Ajzen (1991) who distinguishes the actual behavioral control, consisting of the available resources and opportunities of an individual, from the perception the individual has on his/her own control. This perception impacts strongly the intentions held and actions undertaken and has a higher psychological influence than the actual control. In other words, individuals form initiatives and enact the behaviors they believe they can perform or accomplish, while these beliefs might be according to reality or not. Thus the belief of the individual about what he/she can do, determines what he/she will actually do.

Self-efficacy is a concept proposed by Albert Bandura (1977, 1982) that is used in models of consumer behavior as a proxy for subjective perception of the ability to perform an action. Self-efficacy refers to the individual’s own judgement about how capable he/she is in performing a certain behavior. Bandura (1982) asserts that the beliefs of self-efficacy are learnt (acquired) in several ways such as personal experience (positive and negative) and the example of others. This belief of own self-
efficacy will influence whether a person will try a certain activity, the degree of perseverance on that activity in the face of challenge, as well as the final result – the performance of the behavior.

The self-efficacy concept is a part of the social cognitive theory that refers to the way in which efficacy beliefs are constructed, their properties and their effect on behavior and on the individual (Bandura, 1997). Research around self-efficacy also explores the processes through which personal and social changes can be implemented by developing and accumulating efficacy beliefs.

With the purpose of enabling our understanding of human functioning, the social cognitive theory proposes a perspective that has as fundamental assumption the idea that individuals are active agents (Bandura, 2012). According to this main assumption, humans exercise an influence over their own actions and own functioning through forming intentions. Moreover, social cognitive theory asserts that there are three major factors that determine human functioning: interpersonal influences, the actual behavior and the influences from the environment.

Efficacy beliefs have an important impact on the multiple processes involved in human functioning: cognitive, motivational, affective and decisional (Bandura, 2012). They influence whether a person will think pessimistically or optimistically and whether the thought process will support or will undermine the performance of a certain behavior. Thus, self-efficacy is important for the individual in the immediate but also on the whole path in life, whether the individual is conscious or not of this mental mechanisms.

There are four sources of information that individuals use to form expectations about their self-efficacy (Bandura, 1977). These four sources are: (1) successfully accomplished behavior in the past, (2) observations (or modeling), (3) verbal persuasion and (4) physiological states.

Previous successful performance constitutes an important information source for individual’s self-efficacy as it is based on personal experience of control in a certain situation. Thus, repeatedly experiencing success in task performance increases the control expectation, while the repeated failure decreases self-efficacy expectation. However, not all self-efficacy expectations are derived from own experience and some of them are formed by observing successful others. As a consequence, the fact of seeing other persons doing challenging activities without adverse consequences can generate an increase in self-efficacy, encouraging them to intensify efforts and persist in order to improve performance.

Verbal persuasion is another interesting information source self-efficacy as it has the advantage of being able to be provided easily and immediately from exterior of the individual. Emotional excitement is also an information source for self-efficacy and it is used as an indicator of anxiety and own vulnerability towards stress. As a high degree of excitement diminishes performance, persons are more inclined to expect success whenever they feel less tension. However, this has the potential of creating a negative spiral of consequences as worrying thoughts of inefficacy can raise anxiety and furthermore reduce self-efficacy. Therefore, emotional excitement can more often diminish than increase self-efficacy, and the latter can be enhanced by calming emotional excitement.

Gist and Mitchel (1992) showed that self-efficacy involves three important aspects or stages. Firstly, self-efficacy reflects the complex judgement an individual makes with regard to his/her capacity to implement a certain task. Secondly, this judgement of self-efficacy is changing as the individual obtains more information and experiences. Thirdly, this self-judgement impacts the motivation of the individual, mobilizing his/her behavior. As Bandura (1986) shows, self-efficacy involves a complex process of perception and entails an adaptation of the individual performance in order to fit given
circumstances. This mechanism explains why individuals holding similar skills achieve different task performances.

Bandura (2012) depicts the multiple impact that self-efficacy has on behavior through several processes, which can be found in Figure 1. Self-efficacy beliefs determine the goals the individual will choose to follow, will also influence the outcome expectations and the perception on the socio-structural factors, understood as facilitators and impediments from the environment. Finally, self-efficacy will also influence the actual performance of the behavior. The environment that provides the impediments and facilitators for the behavior includes the imposed environment (that acts upon individuals) as well as the selected and construed environment, integrating influences from the social network of the individual. Additionally, nowadays, the symbolic environment, determined by innovations in the communication technologies is also increasingly important for everyday life (Bandura, 2002).

Social cognitive theory and current research have shown that self-efficacy can be specific to the task and situation and also that there is a general self-efficacy, a separated construct, defined as a general perception of the individual regarding his/her ability to perform a certain behavior in a variety of different situations (Judge, Erez, & Bono, 1998). Thus, the general self-efficacy construct captures the individual differences in their inclination towards seeing themselves as individuals capable of accomplishing the task’s requirement in different contexts (Chen, Gully, & Eden, 2001).

Even though the construct of general self-efficacy has received theoretical and empirical attention, Stajkovic and Luthans (1998) argued that this construct has a limited applicability and task specific self-efficacy has a direct impact on behavior. The study of Kim and Kim (2005) test the impact of these two constructs in the context of online purchase behavior, by studying the impact of general self-efficacy on specific self-efficacy and then, the influence of the specific efficacy on perceived risk and purchase intention. The construct of general self-efficacy was measured using a scale with three dimensions that were hypothesized to influence specific self-efficacy. However, only one hypothesis was supported by data, so the impact of general self-efficacy on perceived risk through specific self-efficacy was insufficiently sustained by empirical data. Online transaction self-efficacy (specific), on the other hand, did play a significant role in reducing perceived risk and increasing online purchase intention.
Self-efficacy is a dynamic construct since efficacy beliefs can change over time, by obtaining new information and experience while dealing with a task. Moreover, these efficacy beliefs don’t refer to global personality traits (such as, “I am intelligent”) but to specific elements related to task performance (“I can perform well this action”). Within this dynamic of acquiring new information enabling self-efficacy enhancement, Park and Roedder John (2014) tested in several experiments whether certain individual personality traits differently influence the types of information that increase self-efficacy. This difference in personality is confirmed and their study brings new insights on how individual favor one type of information in enhancing self-efficacy.

3 Self-efficacy in Marketing Research – Methodological Aspects

There are many studies that have examined self-efficacy in context specific situations rather than general and suggested that measuring self-efficacy makes sense mostly in specific situations (Gist & Mitchell, 1992; Abusabha & Actterberg, 1997). Thus, many researchers named the self-efficacy concept according to the context they studied such as: physical activity self-efficacy (Giacobbi, Hausenblas, & Penfield, 2005; Sylvia-Bobiak & Caldwell, 2006), recreational self-efficacy (Hoff & Ellis, 1992), computer self-efficacy (Durdell & Haag, 2002; Hill, Smith, & Mann, 1987) self-efficacy in healthy eating (Gaugban, 2003) or self-efficacy in breast feeding (Wells, Thompson, & Kloeblen-Tarver, 2006).

Bandura (2006) states that in order to have a good measurement of self-efficacy, scales should be adjusted to the domain of interest, because an all-encompassing test may be irrelevant due to its ambiguity. In order achieve content validity, efficacy items should measure a judgement of capability, the term “can” being the best suited. Using other terms should be carefully assessed as not to confound the construct with others, such as intention (“will do”), self-esteem (judgement of self-worth), locus of control (whether the action depends on the individual) or outcome expectations (judgements on outcomes derived from performances).
Self-efficacy measurement should reflect the degree of difficulty the individual believes he/she can overcome. Thus, in the measurement of self-efficacy various levels of the task difficulty should be integrated, according to the challenges that might be encountered. As a consequence, when constructing a self-efficacy scale, Bandura (2006) advises that preliminary work should be undertaken in order to properly present the specific challenges of the task. For this purpose, researchers can organize interviews or pilot questionnaires in order to identify aspects that harden activity performance. The response scale should enable individuals to “rate the strength of their belief in their ability to execute the activity” (Bandura, 2006, p.312). Usually, a 100-point scale is recommended with 10-points intervals, starting at 0 (“Cannot do”) until complete certainty, 100 (“Most certain can do”) with an intermediary point, 50 (“Fairly certain can do”). An alternative could be using the same descriptors but with scores from 0 to 10. Importantly, the self-efficacy scale is unipolar, not allowing for negative gradations, as they don’t make sense in evaluating and individual’s capability.

Kim and Kim (2005) investigated in their study the influence of subjective factors on individual intention to purchase in e-commerce and explored the relationships between online transaction self-efficacy and consumer trust and perceived risk, respectively, which in turn determine the purchase intention. Thus, in this study self-efficacy is an important factor explaining behavioral motivation and individual choice, contributing positively to building trust and negatively to perceived risk. Since in their study they measured both general self-efficacy and specific self-efficacy they used an existing scale for measuring the first construct and developed a new one for online transaction efficacy. All the variables in the study were measured on seven point Likert-type scales. The general self-efficacy scale was formed of three inter-correlated dimensions named initiation, effort and persistency. Due to their formulation, “initiation” and “persistency” were negatively correlated to “effort”. The online transaction self-efficacy was measured with a newly proposed scale, whose items were formulated in terms like “I am confident…”1. This way of formulating items is contrary to the recommendation of Bandura (2006) who argues that “can” represents a better formulation for judging capability, such as self-efficacy should measure. Their results confirm the influence of specific self-efficacy on trust towards the transaction, but the role of general self-efficacy was not confirmed, due to non-significant relationships with the specific self-efficacy.

The research of Hung and Petrick (2012) explored the role of several factors on the intention to travel, among which self-efficacy was studied as a moderating variable on constraints negotiation. This study tackles the issue of individual involvement in the face of challenge by testing the role of self-efficacy in finding solutions for diminishing the constraints in participating in cruise travel. Since Hung and Petrick (2012) consider that the intention to travel is influenced by constraints anticipation, but also by the ability to negotiate these constraints, self-efficacy construct plays an important role in this negotiation. As in a previous study, the negotiation efficacy was used as a proxy for self-efficacy in constraints negotiation and was defined as the ability to use effectively the negotiation resources (Hung and Petrick, 2012; Loucks-Atkinson & Mannell, 2007). Their hypothesis was that self-efficacy moderates the relationship between travel constraints and constraint negotiation.

In order to measure self-efficacy they asked participants to rate their level of certainty in performing certain behaviors and recorded answers on a scale from 0%, “very uncertain”, to 100%, “very certain” of accomplishing the behavior. The scale included 14 items and measured the perceived capability in budgeting the money for the travel, finding cruise companions, organizing and planning for the cruise, etc. In order to test the moderation hypothesis the sample was divided in two groups, with high and

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1 For example “I am confident that I can obtain relevant information through online sources (e.g., online discussion groups, reputation sites, etc.) on the Web vendors from whom I am planning to make online purchases.” (Kim & Kim, 2005).
low self-efficacy, and using the average score of the sample as splitting criteria. The invariance test used confirmed the hypothesis that self-efficacy is a moderator for the model proposed, however not on the relationship initially presumed.

Starting from the idea that the belief in one’s capability to perform a certain behavior is mediated by self-efficacy, Park and John (2014) proposed and tested whether brands could influence self-efficacy through the proposed benefits. They used four experimental studies to test this possibility. In their experiments they test whether the implicit self-theories people favor determine the different types of information used for self-efficacy improvement, which then impacts the performance. According to these self-theories, some persons endorse incremental theories, viewing their personal qualities as flexible and improvable, while persons that believe the entity theory consider their personal qualities fixed (Dweck, 2000). The people believing the incremental theory will probably use most of the types of information presented by Bandura (1977) as sources for increasing perceived efficacy, however, for persons believing the entity self-theory integrating new information through learning opportunities might not be as easy. Park and John (2014) tested if brand promise constitutes a type of information that can be a source of self-efficacy for people believing the entity self-theory. They also verified if self-efficacy is a mediating variable to performance and the tests supported both these hypotheses.

The mediation analysis tested whether the effect of the brand promise is transmitted to the task performance through perceptions of self-efficacy. The hypothesis was confirmed in the case of people holding entity implicit self-theories and not for those with incremental self-theories, involving the fact that self-efficacy, indeed, plays an important role in task performance and that brand promise, when confirmed, contributes to task performance through self-efficacy.

Since the construct of self-efficacy was hypothesized alternatively as a moderator and as a mediator, and in both cases data supported the proposed relationships for self-efficacy, we shall comment on these findings. According to Baron and Kenny (1986), a mediating variable is defined as an active organism that intervenes between the stimulus and the response, while a moderator is a qualitative or quantitative variable that influences the relationship between an independent and dependent variable. The study of Hung and Petrick (2012) observes that splitting respondents according to high and low self-efficacy changes some relationships in the proposed model, confirming the fact that people differing in perceived self-efficacy also differ on the variables that impact their performance. This is further explored under the studies of Park and John (2014) that identify a personal characteristic which has an impact on individual learning, the implicit self-theories. These self-theories determine also the way new information is integrated in the perceived self-efficacy. In this case, self-efficacy is tested as a mediating variable enabling performance. They find that the independent variable that transmits information to self-efficacy is brand promise and this happens only for individuals favoring the entity self-theory. Thus, the moderator hypothesis confirms that people with different self-efficacy levels function slightly differently, while the mediator hypothesis confirms that task performance is influenced by learning as long as this learning increases self-efficacy.

4 Findings and Implications

One of the most important implications of these studies is the fact that individuals could use the concept of self-efficacy in improving their performance whether we speak of choice in purchase contexts, or situations where a certain level of effort and involvement is needed, such as the workplace.
The findings from the study of Kim and Kim (2005) suggest that self-efficacy plays a major role in positively influencing consumers’ trust in online transactions, as a consequence, reducing the perceived risk. In tasks for which individuals perceive higher risks or they lack trust, the main implications for sales representatives or managers are that they could stimulate individuals in increasing self-efficacy. This could be done by contributing to the sources of information the individuals use for changing their self-efficacy perception, namely verbal persuasion and modeling. However, the control over the other two sources of information on self-efficacy, prior experience and emotional states, is considerably reduced even though some influence can be exercised over them.

The study of Hung and Petrick (2012) found that there is a significant difference between people with low and high self-efficacy in constraints negotiation, but not as expected. Individuals holding high levels of self-efficacy involve less in constraints negotiation for implementing their intention to cruise, while those with a lower self-efficacy involve more in reducing the constraints for cruise tourism. The implications for these findings are that higher efficacy individuals might easily see alternatives to cruise tourism and those with a lower self-efficacy might be more inclined to consider cruise tourism as a good option, as in an all-inclusive vacation they may be better taken care of.

The set of experiments implemented by Park and John (2014) supported the idea that self-efficacy influences directly task performance and the former can be increased by brand use only for consumers holding an entity implicit self-theory. Moreover, the brand influences self-efficacy through a conscious process and not an unconscious one, as it was previously argued. Since self-efficacy is such an important factor in motivating choice and goal setting, managers could use the findings of this research in brand communication strategies. By communicating better performance, achievement and success in challenging tasks associated with the brand, firms could increase self-efficacy in persons holding entity implicit self-theories. However, this effect will not be produced in the case of individuals with incremental self-theories, so for this target group learning opportunities should be offered along with brand communication.

The individual implications of these studies are that the self-efficacy concept is an important determinant of task performance, and that individuals involve in changing their perceived self-efficacy more or less consciously. However, the knowledge around this concept could be used by individuals as a set of tools available for task performance improvement. For this purpose, persons can use different sources of information that lead to increases in self-efficacy. Moreover, the findings Park and John (2014) suggest that the learning activities that can enhance personal efficacy are accessed differently according to individual’s own beliefs in his/her capabilities of improvement. If the individual considers he/she is capable of improvement by own efforts, then the learning opportunities will form the basis for self-efficacy changes. However, individuals believing that they cannot improve by further efforts will need more encouragement and a sort of “symbolic” support: by using a brand associated with a relevant brand promise for the performance desired, this person could increase his/her perceived self-efficacy.

5 Conclusions

Marketing research in consumer behavior can be a valuable source of information for individuals looking to improve their performance in all kinds of life contexts. Identifying influences in everyday contexts is certainly used by companies in order to convince us to buy something new or more of a certain thing. There are also other actors interested in changing individual behavior such as policy makers or organizations defending all kinds of issues, from environmental to social and even leisure.
activities. Individuals could also be interested in these findings for own improvement. Self-efficacy was found as an important factor which enables or inhibits behavioral change. Thus it could be used more frequently in attempts of behavioral change, but individual awareness around this concept might be also needed.

The current literature shows that self-efficacy can be improved in several ways. However, the same ways could also diminish self-efficacy depending on how the individual interprets them. As a consequence, this important concept remains inner to the individual and changing it from the outside is possible for small tasks, in laboratory interventions, which are irrelevant for real life activities. Research can identify self-efficacy as a key determinant in task performance and goal setting; it can also identify means through which self-efficacy can be increased. Still, researchers cannot integrate this new knowledge into their subjects’ lives in order to help them improve, develop and grow.

This remains an issue of the individuals themselves. They are the ones that should become aware of all these findings about their own functioning and start using this knowledge in their own lives. Since self-efficacy is rather activity specific and not general, it follows that testing own self-efficacy as one might test his/her IQ level is impossible, but mostly irrelevant. Self-efficacy is a perceived aspect of the individuals, so it has an important subjective dimension. This makes it impossible to compare between individuals and could only be used through individual awareness. However, this awareness isn’t subject to intentional control, rather it is accessible to the individual as a momentarily experience and not as the result achieved by following certain stages or development recipes.

The main lesson from this body of research literature is that what individuals think of themselves determines their performance and also their path in life through the goals they set for themselves and the alternatives they consider in choice contexts. Further research around self-efficacy is necessary, by extending contexts where it is tested and by understanding how features of the personality intervene in how self-efficacy is perceived by the individual. Another important direction of research should also concern the ways in which individuals could integrate knowledge about self-efficacy in their own lives and decisions, thus understanding how it could change performance through active involvement of the person and not from the outside, through different kinds of strategies used by companies and organizations not truly leading to results.

6 References


