

# **EFFECT OF CAUSATION AND EFFECTUATION VS. CAUSATION ONLY IN ENTREPRENEURSHIP EDUCATION**

Abstract

Objective of the Study

Traditionally, entrepreneurship education (EE) in many HEIs has been approached by the causation approach (Sarasvathy, 2001). Alternately, Sarasvathy (2001) proposed an effectuation approach to entrepreneurship and it has become another center stage in EE. Guo (2018) suggested that both causation and effectuation have their ways of resource acquisition and allocation of entrepreneurs to reap business opportunities. Then, how the combined use of causation and effectuation impacts on different stages of entrepreneurship learning becomes a question to be addressed.

In the entrepreneurship psychology framework (Frese and Gielnik, 2014), opportunity identification is influenced by education through which motivation and cognition are to be developed and action characteristics are formed to reach entrepreneurship success called opportunity identification. However, the variables in action characteristics are found to be composed of volition and preparation stages. Some steps under preparation stages are similar to the opportunity recognition phase. Again, according to Corno and Kanfer (1993), volition is not directly observable or measurable. Rather it can be operationalized to measure as a direct effect on behavior and name the volitional path. In education, the behavior change requires a self-regulation process for students. It will be unclear if entrepreneurial performance can be achieved directly through education or experience after the formation of motivation and cognition development, without any

volitional intervention. A clearer mechanism should be adopted to enhance this gap. This study aims to find the effect of effectuation and causation training (C+E) versus traditional causation training (C) on entrepreneurial self-efficacy (ESE), and opportunity recognition (OR) as the volitional impact, by considering ESE as a mediator. This study contributes to the literature on effectuation and entrepreneurial learning based on combined C+E training by modifying the entrepreneurship psychology framework by adding the volitional path.

## Method

The participants for this experiment were 86 post-graduate candidates from a university in Myanmar, who were taking their entrance exams for their respective master's degree programs at a Commerce Department. They were randomly assigned to equal size of treatment and control groups. The intervention took five weeks of integrated C+E vs causation training, with ten days (2 hours per day x 2 days a week) for both groups. Data collection took place two times via Google form, one time before the training started, and immediately after the training, on demographic information, and ESE. After the intervention, students were asked to submit their business opportunity idea, based on the opportunity evaluation framework of Winsor and Hanlon (2016). SPSS Process Macros were used to find the effect of integrated C+E Vs C training on ESE and opportunity identification.

## Results

The direct effect of training on opportunity recognition was positively significant ( $\beta = 4.99$ ,  $p = 0.021$ ), and the effect of treatment on ESE, revealed a positively significant

result ( $\beta=0.68$ ,  $p = 0.000$ ), with  $R^2 = 0.63$ . ESE was found to have a positive, significant effect on opportunity recognition ( $\beta = 5.09$ ,  $p = 0.001$ ). The mediation path through ESE was significant ( $\beta = 3.44$ , LLCI = 1.28, ULCI = 6.17)

### Conclusion

Our result could resolve the inconsistent effect of ESE in the literature on EE. Nabi et al. (2017) suggested a pedagogical aspect to be partially responsible for inconsistency and suggested the use of more experiential pedagogies. C+E training contents and methods helped students think and act more like expert entrepreneurs and have social interactions with stakeholders. Although the entrepreneurship psychology framework did not show a direct link between EE and behavior, theories on implicit cognition explained that, depending on stored knowledge, individuals initiate and enact beyond self-awareness (Hagger, 2016; Sheeran, Gollwitzer, & Bargh, 2013). This study found the direct positive impact of C+E training on OR. It seems that the implicit or automatic process got control of students OR, which they habitually learned through training, proving the existence of the volitional path. ESE was found to have a positive and significant relationship with OR, and serves as a mediator on the relationship between EE and OR. Having more confidence gained through C+E training, students' OR was improved.