The Impact of Perceived Entrepreneurial Ability on Entrepreneurial Intentions: A Long-Term Analysis from a Global Perspective

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ABSTRACT

Purpose: While perceived entrepreneurial ability (PEA) has long been acknowledged as a core predictor of entrepreneurial intentions (EI), its role across diverse cultural and temporal settings remains underexplored. Drawing on the Theory of Planned Behavior, Social Learning Theory, Expectancy Theory, and Social Cognitive Career Theory, this study re-examines this relationship through a global and longitudinal lens.

Methodology: Utilizing panel data from the Global Entrepreneurship Monitor (GEM), the study analyzes entrepreneurship trends across 22 countries over a five-year period (2017–2022). By applying panel regression models, the analysis captures both temporal consistency and cross-national variations in the PEA–EI linkage.

Findings: The results consistently demonstrate a strong and positive association between individuals' perceived entrepreneurial ability and their entrepreneurial intentions. This effect holds across countries and over time, suggesting the robustness of PEA as a motivational driver regardless of contextual differences.

Practical Implications: For educators and policymakers aiming to stimulate entrepreneurial activity, these findings offer a clear message: interventions that enhance individuals' sense of entrepreneurial capability may be effective across varied institutional environments. Educational programs and policy tools grounded in skill-building and self-efficacy development may thus yield widespread benefits.

Originality: By integrating theoretical perspectives and adopting a longitudinal, multi-country dataset, this study adds empirical depth to the growing literature on entrepreneurial cognition. In doing so, it moves beyond context-specific insights and sheds light on the enduring impact of perceived ability on entrepreneurial behavior globally.

Keywords: Entrepreneurship, Entrepreneurship Intention, Perceived Entrepreneurial Ability

JEI Codes: M13, M10

Algılanan Girişimcilik Yeteneğinin Girişimcilik Niyeti Üzerindeki Etkisi: Küresel Perspektiften Uzun

ÖZ

Amaç: Algılanan girişimcilik yetisinin (PEA), girişimcilik niyetlerinin (EI) temel belirleyicilerinden biri olduğu uzun süredir kabul görmektedir. Ancak bu ilişkinin farklı kültürel ve zamansal bağlamlardaki rolü yeterince araştırılmamıştır. Bu çalışma, Planlı Davranış Teorisi, Sosyal Öğrenme Teorisi, Beklenti Teorisi ve Sosyal Bilişsel Kariyer Teorisi'ne dayanarak söz konusu ilişkiyi küresel ve uzunlamasına bir bakış açısıyla yeniden ele almaktadır.

Yöntem: Araştırmada, Küresel Girişimcilik Monitörü (GEM) tarafından sağlanan panel veriler kullanılarak, 22 ülkede girişimcilik eğilimleri beş yıllık bir dönemde (2017–2022) analiz edilmiştir. Panel regresyon modelleri aracılığıyla yürütülen analiz, PEA–EI ilişkisini hem zaman içinde tutarlılığı hem de ülkeler arası farklılıkları dikkate alarak incelemektedir.

Bulgular: Elde edilen bulgular, bireylerin algıladıkları girişimcilik yetisi ile girişimcilik niyetleri arasında güçlü ve pozitif bir ilişki olduğunu tutarlı biçimde ortaya koymaktadır. Bu etkinin hem zaman hem de ülke farklılıklarına rağmen geçerliliğini koruması, PEA'nın evrensel bir motivasyon kaynağı olarak işlev gördüğünü göstermektedir.

Sonuç ve Öneriler: Girişimcilik faaliyetlerini teşvik etmeyi amaçlayan eğitimciler ve politika yapıcılar için bu bulgular açık bir mesaj sunmaktadır: Bireylerin girişimcilik yetkinliği algısını güçlendirmeye yönelik müdahaleler, farklı kurumsal bağlamlarda dahi etkili olabilir. Bu nedenle beceri geliştirmeye ve öz-yeterlik inşasına dayalı eğitim programları ve politika araçları geniş kapsamlı faydalar sağlayabilir.

Özgün Değer: Kuramsal perspektifleri bütünleştirerek ve çok ülkeli uzunlamasına bir veri seti kullanarak bu çalışma, girişimcilik bilişine ilişkin literatüre ampirik bir derinlik katmaktadır. Böylece bağlama özgü gözlemlerin ötesine geçerek, algılanan yetinin girişimcilik davranışı üzerindeki kalıcı etkilerine dair küresel bir bakış sunmaktadır.

Anahtar Kelimeler: Girişimcilik, Girişimcilik Niyeti, Algılanan Girişimcilik Yeteneği

JEL Sınıflandırması: M13, M10

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1. Introduction

Entrepreneurship continues to attract scholarly interest as a deeply layered phenomenon that spans individual initiative and broader societal transformation. While often defined in terms of launching new ventures, the entrepreneurial process extends far beyond business creation—it involves a blend of creativity, confidence, persistence, and the willingness to embrace uncertainty (Gelderen et al., 2008). At its core, entrepreneurship encompasses the recognition of opportunity, innovative problem-solving, and the courage to act under risk—traits closely tied to economic development and the diffusion of knowledge within and across industries.

The complexity of entrepreneurial behavior has led researchers to draw on various theoretical lenses to unpack its underlying mechanisms. One widely used framework is the Theory of Planned Behavior (Ajzen, 1991), which emphasizes the role of perceived behavioral control—an idea closely aligned with entrepreneurial self-efficacy. Numerous studies have confirmed the relevance of perceived capabilities in shaping entrepreneurial intentions (Kautonen, Gelderen & Fink, 2015; Amini Sedeh, Abootorabi & Zhang, 2021). Building on this perspective, prior research has examined how both internal traits and external influences shape one's intention to pursue entrepreneurial activity (Maes, Leroy & Sels, 2014; Adekiya & Ibrahim, 2016; Henley et al., 2017; Kazmi et al., 2019).

Entrepreneurial intention (EI) has come to be recognized as one of the most reliable predictors of future entrepreneurial behavior. Yet, despite its centrality, the question of what truly motivates individuals to form such intentions remains unsettled. Earlier studies have often presented fragmented theoretical approaches, offering a wide array of explanatory variables without converging on consistent predictors (Gartner, 1988; Zhao, Seibert & Hills, 2005). This lack of coherence has led scholars to call for more targeted investigations into personal cognitive variables that may underlie entrepreneurial motivation.

Among such variables, perceived entrepreneurial ability (PEA)—which reflects one's belief in their capacity to successfully perform entrepreneurial tasks—has gained increasing attention (Naktiyok, Karabey & Gulluce, 2010; Dölarslan, Koçak & Walsh, 2020). As an individual-level construct, PEA may play a particularly vital role in intentional decision-making. When individuals believe in their entrepreneurial competence, they are more likely to translate ideas into action. This study builds on that insight by focusing specifically on the direct relationship between PEA and EI.

In doing so, the study responds to recent calls for empirical research that clarifies the foundational psychological mechanisms that precede entrepreneurial behavior (Thompson, Verduijn & Gartner, 2020). While previous works have examined entrepreneurial intention in conjunction with both personal and social factors, this research isolates perceived entrepreneurial ability to assess its long-term influence on entrepreneurial intentions across national contexts.

Research Question: How does perceived entrepreneurial ability (PEA) influence entrepreneurial intentions (EI) over time and across national contexts?

Beyond theoretical exploration, the findings of this study have important practical implications. A better understanding of how individuals perceive their entrepreneurial competence can inform the design of educational programs, entrepreneurship training, and policy interventions that foster entrepreneurial mindsets. By targeting self-efficacy and cognitive readiness, such efforts can help activate latent entrepreneurial potential within populations. Moreover, strengthening perceived ability may contribute to the development of more resilient entrepreneurial ecosystems, especially in environments characterized by uncertainty or institutional weakness.

This study also offers a methodological contribution. By utilizing a longitudinal dataset covering 22 countries over a five-year period (2017–2022), it captures both temporal trends and cross-national differences in the PEA–EI relationship. This global lens enables a deeper understanding of whether and how perceived entrepreneurial ability consistently drives intention formation across varying socioeconomic environments. In this way, the research aims to enrich entrepreneurship theory and contribute robust evidence to a domain that remains theoretically rich but empirically fragmented.

2. Theoretical Framework

Entrepreneurial intention (EI) remains one of the most widely studied constructs in the field of entrepreneurship, serving as a crucial proxy for understanding how individuals move from ideation to action. Conceptually, EI refers to a person's conscious and deliberate plan to start a business, reflecting both motivational forces and a perceived readiness to engage in entrepreneurial activity. Over the past two decades, numerous studies have attempted to explain what drives individuals to form such intentions. However, the field has often been characterized by a fragmented theoretical landscape. Many studies have explored isolated variables without embedding them in coherent conceptual frameworks, leading to a proliferation of possible antecedents but little agreement on which ones matter most (Gartner, 1988; Zhao, Seibert & Hills, 2005; Kazmi et al., 2019). As scholars increasingly seek to ground their investigations in theory, several frameworks have emerged to explain how intentions are formed and translated into entrepreneurial behavior. Among these, the Theory of Planned Behavior (TPB) has been especially influential in organizing our understanding of the psychological mechanisms underlying EI.

2.1. Theory of Planned Behavior (TPB)

The Theory of Planned Behavior (Ajzen, 1991) offers a structured lens through which to examine how individual beliefs shape entrepreneurial intention. It posits that intention, as the most immediate antecedent of behavior, is influenced by three primary cognitive factors: personal attitudes toward the behavior, perceived social pressure (subjective norms), and perceived behavioral control. In entrepreneurial contexts, these elements map onto the desirability of entrepreneurship, social expectations around starting a business, and one's perceived ability to engage in entrepreneurial activity.

Within this framework, perceived behavioral control is particularly relevant—it closely mirrors what the literature describes as perceived entrepreneurial ability. Scholars such as Krueger and Brazeal (1994) and Shapero and Sokol (1982) have emphasized that both the perceived desirability and feasibility of entrepreneurial action play critical roles in forming intention. PEA aligns directly with feasibility, representing an individual's self-assessed capability to succeed in entrepreneurial tasks. When individuals believe they have the necessary skills and resources, their intention to pursue entrepreneurial ventures becomes significantly more likely.

Recent empirical work supports the theoretical significance of PEA. For example, Amini Sedeh, Abootorabi, and Zhang (2021) examined the relationship between PEA and EI using data from over 95,000 individuals across 33 countries. Their findings confirmed that higher levels of PEA were consistently associated with stronger entrepreneurial intentions. Importantly, this study incorporated national-level social capital as a contextual moderator, illustrating how perceived ability interacts with broader institutional conditions to shape intention formation. The authors employed hierarchical linear modeling to isolate the effects of individual perceptions from national characteristics, providing a robust test of TPB's applicability in diverse settings.

Complementary insights are offered by Afiat et al. (2023), who further elaborated the psychological underpinnings of EI by integrating attitudes, subjective norms, and perceived behavioral control into a conceptual model rooted in TPB. Their work highlights the complex interplay between individual cognition and social influence, reinforcing the theory's relevance in entrepreneurship studies. Attitudes reflect how individuals evaluate entrepreneurship; subjective norms capture perceived societal expectations; and perceived control reflects one's confidence in navigating entrepreneurial challenges.

Taken together, these studies underscore the explanatory power of TPB in entrepreneurship research. They demonstrate that EI is not simply the result of isolated traits or external pressures, but emerges through a structured cognitive process in which perceived ability—captured by PEA—plays a central role. This perspective is especially valuable in global research contexts, where variations in institutional support, cultural norms, and opportunity structures may shape how individual-level cognitions translate into entrepreneurial action.

2.2. Social Learning Theory (SLT)

Bandura (1986) introduced the concept of self-efficacy within the Social Learning Theory framework, emphasizing it as a crucial construct for defining beliefs about one's competencies. Accordingly, entrepreneurial self-efficacy, which is the belief in one's ability to successfully execute entrepreneurial activities, is detailed by Rosique-Blasco, Madrid-Guijarro and García-Pérez-de-Lema (2017, p. 1031). PEA, or entrepreneurial self-efficacy, can thus be defined as an individual's perception of their capacity to undertake entrepreneurship, fulfill related roles and tasks, and perform various entrepreneurial activities (Chen, Greene and Crick 1998; Rosique-Blasco, Madrid-Guijarro and García-Pérez-de-Lema, 2017; Boyd and Vozikis, 1994; Luthans and Ibrayeva, 2006; Forbes, 2005; Dölarslan, Koçak and Walsh, 2020). This concept has been widely adopted to explain the formation of EI as a significant determinant of the intention to start a business (Naktiyok, Karabey and Gulluce, 2010; Walker, Jeger and Kopecki, 2013; Noguera, Alvarez and Urbano, 2013) and to assess perceived competencies, risk inclination, and opportunity recognition in EI (Zhao, Seibert and Hills, 2005). Deliana (2023) delves into the exploration of entrepreneurial intent as impacted by an individual's self-efficacy, drawing upon the theoretical framework advanced by Bandura. The investigation reveals a direct correlation: enhanced self-efficacy significantly elevates the probability of making informed decisions regarding the realization of their aspirations.

Research on entrepreneurship emphasizes the significance of perceived ability and self-efficacy. Kazmi et al. (2019) illustrate how PEA, the mental assessment of one's capacity to mobilize necessary resources, engage in entrepreneurial activities, and sustain motivation, profoundly influences behavioral preferences. Individuals are drawn to situations where they anticipate having more personal control and steer clear of circumstances where control appears limited. Thus, the perception of one's capabilities significantly directs career decisions and EI, guiding individuals toward roles in which they feel competent (Naktiyok, Karabey and Gulluce, 2010, p. 420).

In their scholarly contributions, Duong (2023) and Lin et al. (2023) delve into the Social Learning Theory (SLT) to demonstrate that components such as attitudinal disposition towards behavior, personal expectations, perceived authority, and entrepreneurial mindset are integral determinants influencing EI. These elements, within the framework of SLT, underscore the complex interaction between an individual's psychological beliefs and the external social environment in shaping their propensity towards entrepreneurial endeavors. Attitudinal disposition towards behavior encapsulates an individual's evaluative stance on entrepreneurship; subjective norms address perceived external pressures or expectations; perceived behavioral control pertains to the individual's self-assessment of their capability to undertake entrepreneurial activities; and entrepreneurial self-efficacy reflects the conviction in one's entrepreneurial competencies. Collectively, these facets provide a nuanced understanding of the motivational underpinnings of entrepreneurial intent within the purview of SLT.

2.3. Expectancy Theory

PEA is similarly juxtaposed against Expectancy Theory, a cognitive framework predicated on two forms of anticipation: the probability that effort will culminate in a designated performance level, and the probability that such performance will engender a specific outcome. In contrast, PEA focuses on the execution of an action influenced by internal factors, including coping skills under stress and motivational state, suggesting that low PEA might hinder an individual's ability to perform desired behaviors due to insufficient cognitive and emotional resources (Chen, Greene and Crick, 1998, p. 299). PEA, essentially an individual's belief in their capability to execute entrepreneurial tasks successfully, is akin to the concept of self-efficacy in Expectancy Theory. Self-efficacy, defined as the conviction in one's capacity to accomplish a goal, is a pivotal element that impacts motivation and, subsequently, action (Renko et al. 2012).

In the entrepreneurial journey, starting a business or launching a venture is often seen as a deliberate choice influenced by an individual's PEA, which is argued to significantly impact entrepreneurial preferences and behaviors (Boyd and Vozikis, 1994; Chen, Greene and Crick, 1998, p. 297).

This study explores the influence of PEA on the intention to start and manage a business, focusing on EI and PEA as key variables.

The relationship between PEA and EI has gained increasing attention in recent literature, largely due to the compelling role PEA plays in shaping how individuals evaluate their entrepreneurial potential. Scholars such as Amini Sedeh, Abootorabi, and Zhang (2021) have highlighted that individuals who perceive themselves as capable are more inclined to consider entrepreneurship as a viable path. This self-assessment acts as a psychological filter: individuals are naturally drawn to environments where they believe their skills will be effective, and conversely, they are more likely to avoid contexts where they feel ill-equipped or uncertain about their performance.

Expectations about success or failure are central to this evaluative process. As Brockhaus (1980) noted, individuals with higher PEA tend to interpret challenging situations as opportunities for achievement, whereas those with lower perceived ability are more prone to anticipate negative outcomes. These forward-looking beliefs do not merely influence whether someone intends to become an entrepreneur—they also shape how individuals cognitively engage with the risks, opportunities, and demands associated with entrepreneurial activity. In this sense, PEA not only predicts entrepreneurial intentions but also informs the subjective interpretation of one's entrepreneurial environment, influencing both motivation and behavioral response.

2.4. Social Cognitive Career Theory (SCCT)

Social Cognitive Career Theory, originally developed by Lent, Brown, and Hackett (1994), offers a compelling framework for understanding how individuals form career-related intentions, including those related to entrepreneurship. Rooted in Bandura's broader social cognitive theory, SCCT emphasizes the interplay between self-efficacy beliefs, outcome expectations, and personal goals in shaping career trajectories. These elements jointly influence how individuals perceive their capacity to act, what they expect from their efforts, and the kinds of paths they pursue as a result.

When applied to entrepreneurship, SCCT provides a valuable lens for examining how perceived entrepreneurial ability—closely aligned with entrepreneurial self-efficacy—affects entrepreneurial intentions. According to this perspective, individuals who believe they can successfully organize and perform entrepreneurial tasks are more likely to develop intentions to launch and sustain a business (Pham et al., 2024). This confidence in one's capabilities not only boosts motivation but also reinforces persistence when facing uncertainty or failure, making it a key driver of entrepreneurial behavior.

A growing body of empirical research supports the relevance of SCCT in explaining EI. For instance, Zhao, Seibert, and Hills (2005) found that self-efficacy was a significant predictor of entrepreneurial intention, with individuals possessing higher self-belief more inclined to consider entrepreneurship as a career choice. Similarly, Chen, Greene, and Crick (1998) emphasized that both self-efficacy and expected outcomes play a crucial role in determining whether individuals choose to engage in entrepreneurial activity. These findings underline the dual influence of internal confidence and anticipated rewards in shaping one's decision to pursue entrepreneurship.

More recent studies continue to expand on SCCT's utility in entrepreneurship research. Licznerska and Ziemiański (2022) demonstrated that SCCT constructs—including self-efficacy and outcome expectations—remain robust predictors of entrepreneurial intention across diverse cultural and economic contexts. Likewise, Duong (2023) and Pham et al. (2024) argue that interventions aimed at improving self-efficacy can lead to stronger entrepreneurial mindsets, particularly when supported by institutional frameworks such as entrepreneurship education and mentoring.

Taken together, the theories discussed—TPB, SLT, Expectancy Theory, and SCCT—highlight the pivotal role of perceived entrepreneurial ability (PEA) in shaping entrepreneurial motivation and behavior. Each framework, from different angles, converges on the idea that individuals' beliefs about their capacity to perform entrepreneurial tasks influence their intentions to act. Whether through perceived behavioral control, observational learning, expectations of outcomes, or self-regulated career planning, PEA emerges as a central cognitive determinant of entrepreneurial intention.

Building on this integrated theoretical foundation, the central hypothesis of this study proposes that perceived entrepreneurial ability has a positive and significant effect on entrepreneurial intention. This proposition is tested using panel data from the Global Entrepreneurship Monitor (GEM), allowing for a longitudinal, cross-national examination of how PEA influences the intention to initiate and manage a business across diverse economic and cultural environments.

3. Methodology

This section provides information on the dataset, method, and tests used in the research analysis process.

3.1. Data Set

The dataset used in this study was retrieved from the Global Entrepreneurship Monitor (GEM), which offers extensive cross-national data on entrepreneurial dynamics. Similar to approaches adopted in prior research (e.g., Amini Sedeh, Abootorabi & Zhang, 2021; Martínez-González et al., 2022; Fuentelsaz, González & Mickiewicz, 2023; Kansheba, Fubah & Marobhe, 2024), this study utilizes GEM data to facilitate cross-country comparisons of entrepreneurship indicators. However, unlike studies that rely on individual-level data, the current analysis is based on country-level aggregate scores. These scores reflect the collective responses to standardized survey questions administered across participating countries and serve as a proxy for national patterns in entrepreneurial activity.

This study analyzed data spanning the last five years, covering the period from 2017 to 2022. Data for 2023 were not available and thus were not included. This research included countries from Asia, Oceania, Europe, and North America, excluding others due to ease of access and comparability of data. Data inconsistencies or gaps between countries on other continents were considered likely to complicate the expansion of the study's scope. Given the large dataset, the objective was to explore the relationship between PEA and EI from a broad perspective, incorporating similarities and differences across the selected countries into the research model.

Table 1. List of countries (2017 – 2022)

Rank	Country	Rank	Country
1	Canada	12	Saudi Arabia
2	Croatia	13	Slovakia
3	Germany	14	Slovenia
4	Greece	15	South Cyprus
5	India	16	South Korea
6	Israel	17	Spain
7	Italy	18	Sweden
8	Luxembourg	19	Switzerland
9	Netherlands	20	United Arab Emirates
10	Poland	21	United Kingdom
11	Qatar	22	United States of America

The GEM provides data for 69 countries in Asia, Oceania, Europe, and North America of these 69 countries, only 22 had complete data for the period 2017 to 2022, which were used in the scope of the research. Therefore, the scope of this study is based on data from these 22 countries. Table 1 lists the countries included in this study.

In this study, the construct of perceived entrepreneurial ability (PEA) corresponds to the GEM variable based on the question: "Do you have the knowledge, skill, and experience required to start a new business?" Respondents answer with "yes" or "no," and the country-level percentage of affirmative responses is used to represent national PEA scores. According to GEM's official definition, this indicator reflects the percentage of the 18–64 population (excluding those already involved in any stage of entrepreneurial activity) who believe they have the required skills and knowledge to start a business.

Similarly, entrepreneurial intention (EI) is measured using responses to the question: "Are you expecting to start a new business within the next three years?" The corresponding GEM variable captures the percentage of the 18–64 population (excluding those already active in entrepreneurship) who intend to start a business within the next three years, often referred to as latent entrepreneurs. Both variables were obtained from the Adult Population Survey (APS) section of the GEM dataset and aggregated at the country-year level. These measures form the foundation for the longitudinal panel data model used in the subsequent analysis.

3.2. Research Method

The necessity of integrating data from diverse temporal and geographic contexts within this research mandated the adoption of econometric panel data analysis. This statistical technique is particularly well-suited for analyzing data that track the same entities—such as individuals, firms, or countries—across multiple time periods. Often referred to as "longitudinal data," this format enables researchers to capture both within-entity and between-entity variation, making it ideal for identifying temporal dynamics and context-specific effects.

Panel data analysis offers several advantages, as emphasized in the foundational works of Wooldridge (2010), Baltagi (2013), and Hsiao (2014). First, it allows for a more precise estimation of variables by controlling for unobserved heterogeneity across units. Second, it provides richer information by combining cross-sectional and time-series dimensions, thereby improving the efficiency of statistical inference. Third, it enables the detection of causal relationships that may evolve over time—something cross-sectional analyses often fail to capture.

Given the aim of this study—to investigate the effect of perceived entrepreneurial ability (PEA) on entrepreneurial intention (EI) over time and across countries—panel regression techniques were deemed most appropriate. The specific research model used in this study is as follows.

$$\text{Research Model: } EI_{it} = \beta_0 + \beta_1\, PEA_{it} + \varepsilon_{it}$$

Where EI denotes entrepreneurial intention, PEA is perceived entrepreneurial ability, i represents countries, t denotes time (years), and ε is the error term.

The panel data modelling procedure employed in this study follows the step-by-step approach proposed by Park (2011), which is widely adopted in applied econometrics. This procedure involves a sequence of model selection tests to determine the most appropriate estimation technique. The Chow test is first applied to identify whether structural differences exist across time or entities. If the null hypothesis of no structural change is rejected ($p < 0.05$), it suggests that pooled ordinary least squares (OLS) is unsuitable.

Subsequently, the F-test is used to assess the relevance of fixed effects, and the Breusch–Pagan Lagrange Multiplier (LM) test is used to evaluate the appropriateness of random effects. If both tests indicate that pooled OLS is inappropriate, a Hausman test is conducted to determine whether the fixed effects or random effects model provides a more consistent estimation. A statistically significant Hausman result ($p < 0.05$) implies that the fixed effects model is preferred, while an insignificant result supports the use of a random effects model. This sequence of tests ensures that the final estimation model is both theoretically sound and statistically valid, taking into account unobserved heterogeneity and the panel structure of the data.

4. Results

The descriptive statistics related to the dataset and the results of tests for deviations from assumptions for consistent estimators in panel data analysis are presented below. The findings obtained in the research, conducted considering the panel data modeling process, are included in the continuation of this heading.

Table 2. Descriptive statistics

Variable	Data Quantity	Average	Std. Deviation	Min.	Max.
EI	131	16.174	10.369	2.5	56.33
PA	131	53.845	12.546	29.77	90.51

The results of the descriptive analysis conducted for the variables EI and PEA indicate that there are 131 observations for each of these variables. The average value of the EI variable was calculated as approximately 16.174. This average reflects the general trend in the EI levels in the countries included in the sample. The standard deviation was 10.369, indicating the spread of the values of the EI variable around the mean; a high standard deviation signifies a wide range of data distributions. The minimum and maximum values of the EI variable were 2.5 and 56.33, respectively, indicating the variability of EI between individuals in the sample. On the other hand, the average value for the PEA variable was approximately 53.845. While this average reflects the general trend of the PEA level, a standard deviation of 12.546 indicates that these variable values also have a wide distribution. The minimum and maximum values of PEA were 29.77 and 90.51, respectively, showing the variation in PEA scores in the countries in the sample. These descriptive statistics comprehensively present the distribution and general trends of the study's primary variables in the sample.

In panel data analysis, unit root tests are employed to ascertain the stationarity of the series. Stationary series have a constant mean and variance over time, whereas non-stationary series do not exhibit these characteristics. In a regression analysis, the use of a non-stationary (unit root containing) series can lead to misleading results. Random walks or trends within a series can indicate false relationships and reduce the validity of statistical results. Therefore, unit root tests are used in the regression analysis based on panel data to determine whether the analyzed series are stationary. Unit root tests play a crucial role in enhancing the accuracy of the model and the reliability of the results. These tests check whether the model's assumptions are met, thus playing a critical role in making more robust and reliable inferences. In this study, the stationarity of the variables was examined with and without a trend using Fisher-type unit root tests based on augmented Dickey-Fuller tests. Table 3 presents the results.

Table 3. Unit root test results

H_0: All panels contain unit roots.

	Entrepreneurial Intention		Perceived Ability	
	Without Trend	**With Trend**	**Without Trend**	**With Trend**
Statistic	73.27*	121.44*	121.57*	186.97*
p-value	0.0037	0.000	0.000	0.000

* represents p<0,05

As shown in Table 3, both the EI and PEA variables included in the research model were found to be stationary at both trended and non-trended levels.

Table 4. Results of the panel data modelling process

Name of the Test		
Chow Test	Chow Value	7.71
	p-value	0.0000
F Test	F-value	10.16
	p-value	0.0000
Breusch-Pagan LM Test	chibar2	116.24
	p-value	0.0000
Hausman Test	chi2(1)	0.13
	p-value	0.7234
APPROPRIATE ESTIMATION METHOD		**Random Effects Model**
Chow Test H_0: no Structural Change - $p<0.05$ means that you use Random or Fixed Effect Model.		
F test H_0: All unit effects are equal to zero. - $p<0.05$ means that you use a fixed effect model.		
Breusch-Pagan LM test H_0: The variances between entities are zero. - $p < 0.05$ means that you use random effects model.		
Hausman test H_0: difference in coefficients not systematic – $p > 0.05$ means using a random effect model.		

After confirming the stationarity of the data in the research model, we applied the steps in the panel data modeling process sequentially. The outcomes of these steps are detailed in Table 4, which suggests that the random effects method is suitable for analyzing the research model. Prior to executing the model solution, it is essential to conduct diagnostic tests to ensure the accuracy of the estimators. We assessed heteroskedasticity, serial correlation (autocorrelation), and cross-sectional dependence. The findings from these assessments are documented in Table 5.

Table 5. Results of diagnostic tests

Diagnostic	Test		
Heteroskedasticity	Levene, Brown-Forsythe Test	W0 (4.94)	0.0000
		W50 (1.95)	0.1437
		W10 (4.94)	0.0000
Serial Correlation	Durbin-Watson	Value	0.937
	Baltagi-Wu LBI	Value	1.308
Cross-Sectional Dependence	Pesaran Test	Value	15.880
		p-value	0.0000
LBI values of Durbin-Watson and Baltagi-Wu LBI Values < 2 means there is autocorrelation.			
Pesaran test: $p<0,05$ means there is cross-sectional dependence in the panel data.			
Levene, Brown-Forsythe Test: $p<0.05$ means there is heteroskedasticity.			

When the results of diagnostic tests are examined, the research model exhibits heteroskedasticity, serial correlation (autocorrelation), and cross-sectional dependence. As elucidated in investigations by scholars such as Baltagi and Pesaran (2007), Eberhardt and Bond (2009), Gao et al. (2019) cross-sectional dependence emerges as a formidable challenge within macro panels characterized by extensive temporal spans ranging between 20 to 30 years. In this study, the time dimension was limited to 5 years. Based on these findings, clustered robust standard errors were used to estimate the efficiency of the research model.

Table 6. Regression results

	Coef.	St.Err	t-value	p-value
Perceived Ability	0.295*	0.112	2.64	0.008
Constant	0.279	5.091	0.05	0.956
Chi-square	6.95*	**R-squared**	0.278	
Prob > chi2	0.008	**Rho value**	0.783	

The regression analysis results in Table 6 demonstrate the effect of the independent variable PEA on the dependent variable EI. The coefficient of the PEA variable is estimated to be approximately 0.295. This value indicates that an increase in PEA has a positive effect on EI. With a standard error of 0.112, the t-value of this variable was 2.64, and the p-value was 0.008. Because the p-value is less than 0.05, it can be said that the effect of PEA on EI is statistically significant.

The intercept term represents the value that the dependent variable in the model takes when the variables are zero; this value is approximately 0.279. However, because the t-value of the intercept term is 0.05 and the p-value is 0.956, it is concluded that the intercept term is not statistically significant.

The R2 value is 0.278, indicating that the model explains approximately 27.8% of the variance in EI. A chi-square value of 6.95 indicates that the model is generally significant, while a p-value (chi-square) of 0.008 supports this general significance. The Rho value of 0.783 shows a correlation of random effects between countries, and this high value can be interpreted as a high level of correlation of these effects between countries.

These findings demonstrate that the PEA variable significantly influences EI, while the intercept term shows no significant impact. The general significance of the model and the high correlation of effects between countries present interesting findings for examining EI.

5. Discussion

This study's exploration of the relationship between PEA and EI enriches academic discourse by both aligning with prior findings and introducing new dimensions of analysis. Prior research conducted by Boyd and Vozikis (1994), Krueger and Brazeal (1994), Chen, Greene and Crick (1998), De Noble, Jung and Ehrlich (1999), Zhao, Seibert and Hills (2005), Amini Sedeh, Abootorabi and Zhang (2021), Pramudita (2021), and Nursyirwan et al. (2022) has underscored the paramount significance of self-efficacy within the entrepreneurial sphere. These studies accentuate its profound impact on the genesis of EI. Our longitudinal analysis extends these insights by demonstrating that the impact of PEA on EI is not only significant but also persists across time and transcends geographical boundaries. This observation is consistent with the Theory of Planned Behavior, which asserts that perceived behavioral control (comparable to PEA) substantially predicts behavioral intentions, underscoring the influence of individual perceptions on entrepreneurial activities. Moving to Social Learning Theory, we find that it similarly asserts that observational learning and modeled behaviors crucially shape an individual's entrepreneurial self-efficacy, thus influencing their EI.

Instead of treating these theoretical perspectives as isolated, this study interprets them as complementary lenses for understanding how individuals develop entrepreneurial intentions. Social Cognitive Career Theory, for instance, emphasizes the role of self-efficacy and expected outcomes in career-related decision-making, offering a cognitive framework that explains how perceived entrepreneurial ability influences entrepreneurial motivation and long-term action. Similarly, Expectancy Theory adds a motivational dimension by suggesting that individuals are more likely to act when they believe their efforts will lead to successful performance and when that performance yields desirable outcomes. Taken together, these perspectives converge on a shared insight: belief in one's own entrepreneurial competence—anchored in internal expectations and confidence—plays a central role in shaping the intention to pursue entrepreneurship. By adopting a cross-national lens, this study further illustrates how these psychological mechanisms operate consistently

5.1. Implication for Research

This research makes several important contributions to the academic literature by combining a longitudinal design with a multi-country dataset. Responding to earlier calls for more comprehensive and globally oriented entrepreneurship studies (Wennekers, Uhlaner & Thurik, 2002; Amini Sedeh, Abootorabi & Zhang, 2021), it highlights how the influence of perceived entrepreneurial ability (PEA) on entrepreneurial intention (EI) remains stable across time and national contexts. This consistency provides a strong empirical basis for further investigations into the cognitive drivers of entrepreneurship and encourages comparative studies to explore how these relationships may vary across institutional environments.

Moreover, the study offers theoretical value by reinforcing the place of PEA within broader cognitive frameworks in entrepreneurship. Demonstrating this relationship with robust longitudinal evidence not only supports existing models but also suggests that PEA should be more systematically included in future theoretical formulations. The use of panel data adds additional credibility by allowing researchers to observe how perceptions and intentions evolve over time, offering a more dynamic understanding of entrepreneurial behavior. These insights may inform the refinement of existing models and inspire more methodologically rigorous investigations in future research.

5.2. Implications for Practitioners and Policymakers

The practical relevance of this study lies in its clear demonstration that individuals' belief in their entrepreneurial capabilities strongly predicts their intent to pursue entrepreneurial activity. For practitioners and policymakers, this implies that interventions aimed at strengthening entrepreneurial self-efficacy could play a pivotal role in encouraging new business formation. Prior research (e.g., Bullough, Renko & Myatt, 2014) has emphasized the role of resilience and confidence in entrepreneurial outcomes, and the present findings reinforce that perspective on a broader scale. Accordingly, entrepreneurship education, mentorship programs, and policy incentives should be designed not only to impart knowledge but also to foster self-belief—tailored to fit different socio-cultural contexts.

5.3. Limitations and Future Research

While the findings offer robust evidence of a positive and consistent link between PEA and EI, certain limitations must be acknowledged. The analysis draws exclusively on GEM data, which, although comprehensive, does not cover all global regions equally. Future research could address this by including a more diverse set of countries, particularly from underrepresented regions, to enhance the generalizability of results. Additionally, examining the cultural dimensions that interact with PEA—such as norms, values, and institutional trust—could yield deeper insights into how context shapes entrepreneurial intention, as suggested by Liñán (2008).

Further, beyond establishing correlation, future studies should investigate the pathways through which PEA affects EI. This may include identifying mediating variables (such as opportunity recognition or perceived social support) or exploring how the relationship varies by demographic characteristics, educational background, or prior entrepreneurial experience. Unpacking these mechanisms would provide a more granular view of the psychological and social dynamics that underpin entrepreneurship.

6. Conclusion

In sum, this study contributes to the growing literature on entrepreneurial cognition by offering clear empirical evidence that perceived entrepreneurial ability is a consistent and significant predictor of entrepreneurial intention. By adopting a longitudinal and cross-national approach, it demonstrates that this relationship holds over time and across a variety of socio-economic settings. These findings not only support existing theoretical models but also extend their applicability to broader contexts. For researchers, educators, and policymakers alike, the study underscores the value of fostering self-efficacy as a means of promoting entrepreneurial behavior and, by extension, economic dynamism.

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