



The structure of optimism: “Controllability affects the extent to which efficacy beliefs shape outcome expectancies”

Diemo Urbig^{a,c,*}, Erik Monsen^b

^a Antwerp University, Department of Management, Prinsstraat, 13 (Z.309), 2000 Antwerpen, Belgium

^b Hunter Centre for Entrepreneurship, Strathclyde Business School, University of Strathclyde, 199 Cathedral Street, Glasgow G4 0QU, United Kingdom

^c Jackstädt Research Center for Entrepreneurship and Innovation, Schumpeter School of Business and Economics, University of Wuppertal, Gaustraße 20, 42119 Wuppertal, Germany

ARTICLE INFO

Article history:

Received 25 June 2009

Received in revised form 25 August 2011

Accepted 9 March 2012

Available online 16 March 2012

JEL-classification:

D8

D83

D84

PsycINFO classification:

3100

3040

Keywords:

Dispositional optimism

External-efficacy

Locus of control

Expectations

Cognition

Uncertainty

Belief

Expectations

Self-efficacy

ABSTRACT

In this article we theoretically develop and empirically test an integrative conceptual framework linking dispositional optimism as general outcome expectancy to general efficacy beliefs about internal (self) and external (instrumental social support and chance) factors as well as to general control beliefs (locus-of-control). Bandura (1997, *Self-efficacy. The exercise of control* (p. 23). New York: Freeman), quoted in title, suggests – at a context-specific level – that controllability moderates the impact of self-efficacy on outcome expectancies and we hypothesize that – at a general level – this also applies to dispositional optimism. We further hypothesize that locus of control moderates the impact of external-efficacy beliefs, but in the opposite direction as self-efficacy. Our survey data of 224 university students provides support for the moderation of self-efficacy and chance-efficacy. Our new conceptualization contributes to clarifying relationships between self- and external-efficacy beliefs, control beliefs, and optimism; and helps to explain why equally optimistic individuals cope very differently with adverse situations.

© 2012 Elsevier B.V. All rights reserved.

1. Introduction

Dispositional optimism, defined as a general personal expectation that good things rather than bad things will happen (Scheier & Carver, 1987), has attracted substantial research interest in the fields of economics and psychology (compare the overviews by Peterson (2000), Puri and Robinson (2007), and Weinstein (1989)). Dispositional optimism has been shown to affect health, physical well-being, and perceived stress (Scheier & Carver, 1985, 1987) and is associated with active coping rather than avoidance strategies (Solberg Nes & Segerstrom, 2006). In addition, it has been found to be related to different types of investment behavior (Felton, Gibson, & Sanbonmatsu, 2003; Puri & Robinson, 2007). It also affects job markets

* Corresponding author. Tel.: +32 (0)3 265 5139; fax: +32 (0)3 265 5079.

E-mail addresses: diemo.urbig@ua.ac.be (D. Urbig), erik.monsen@strath.ac.uk (E. Monsen).

through its effect on job search and job choice behavior (Kaniel, Massey, & Robinson, 2010). Furthermore, it influences entrepreneurial decision-making (Baron, 2004) and entrepreneurial performance (Hmieleski & Baron, 2009).

Scheier and Carver (1987), who pioneered the systematic study of dispositional optimism, emphasize that a person's general optimism can be caused by a variety of factors, as different as self-efficacy and belief in good-luck. Therefore, while two individuals may be equally optimistic in terms of the level of their optimism, the origins of this optimism might differ substantially. Specific factors which have been associated with optimism include general beliefs about self-efficacy (Karademas, 2006), good-luck (Day & Maltby, 2003; Day & Maltby, 2005), social support (Doeglas et al., 1996; Karademas, 2006), as well as control (Abramson, Seligman, & Teasdale, 1978; Carver & Scheier, 1991; Weinstein, 1980). Despite the wide interest in the role of dispositional optimism, as well as in the role of its potential sources for explaining people's behaviors, these factors have mostly been studied independently of one another. For instance, general self-efficacy and general control beliefs have been found to contribute to explaining job and life satisfaction (Judge, Locke, Durham, & Kluger, 1998; Spector, 1997), job performance (Judge & Bono, 2001), business creation as well as subsequent success and failure (Rauch & Frese, 2007).

In this study, we follow Scheier and Carver's (1987) thoughts on sources of optimism and develop an integrative framework that links dispositional optimism to general beliefs about the self, support from others, chance, and control. To accomplish this, we draw on social cognitive theory (Bandura, 1977, 1997) and Bandura's proposition that "controllability affects the extent to which efficacy beliefs shape outcome expectancies" (1997, p. 23). Extending this proposition from the context-specific to the general level, we propose that general self-efficacy will be more positively related to dispositional optimism if people believe that their outcomes mostly depend on their own actions and performance, which Rotter (1966) refers to as an internal locus of control. Further extending this argument to beliefs about the efficacy of external factors such as social support (other-efficacy) and chance (chance-efficacy), we argue that these external-efficacy beliefs will be less positively related to dispositional optimism the more a person believes that he or she is in control. We test our hypotheses based on a survey of 224 undergraduate university students. While we find support for the moderation effects of locus of control for general self-efficacy and general chance-efficacy, locus of control does not moderate the relationship between other-efficacy and dispositional optimism.

Our theoretical framework and empirical findings contribute to better understanding the structural relationships between dispositional optimism (general outcome expectancies), general self-efficacy, locus of control (general control beliefs), and general beliefs about the efficacy of external factors (general perceptions of instrumental social support and good luck). Specifically, our study provides insights into the diverse sources of optimism, and highlights the moderating role that locus of control plays for this system of beliefs.

Our results also inform research on the relationship between locus of control and dispositional optimism. The identified moderation effects provide theoretical reasons for expecting possibly negative associations between more control and optimism – an effect that is occasionally observed in empirical studies (compare the overview by Burger, 1989), but that is inconsistent with standard arguments that more control leads to more optimistic outcome expectancies (compare, e.g., Weinstein, 1980).

Further, our study informs research that addresses the relationships between dispositional optimism and people's behavior such as persistence and coping (e.g., Scheier & Carver, 1985, 1987; Solberg Nes & Segerstrom, 2006), job search (e.g., Kaniel et al., 2010), and entrepreneurial behavior (e.g., Baron, 2004). Despite having the same level of optimism, which drives individuals to persist in the face of adversity, differences in the sources and structure of this optimism may affect the (coping) behavior. People whose optimism is based on control and self-efficacy might persist and engage in active coping, while people whose optimism is based on believing in other people's help and luck, might just passively persist by waiting for help and luck. Considering the multiple drivers of optimism, as identified in this study, can provide a more fine-grained approach to more deeply understand the behavioral consequences of dispositional optimism.

In the first part of this study, Section 2, we develop the theoretical framework and derive corresponding hypotheses on the relationships between dispositional optimism and general control and efficacy beliefs. In Sections 3 and 4, we report an empirical test of our hypotheses. While Section 3 introduces the methodology and the data, Section 4 reports the analysis of the data. Section 5, discusses the results and limitations of our research design. Section 5 also highlights important implications for theory development and empirical research as well as suggests paths for future investigation.

2. Theory and hypotheses development

Dispositional optimism is defined by Scheier and Carver (1987) as a general expectancy that in life good things rather than bad things will happen. Scheier and Carver's conceptualization of optimism explicitly focuses on "expectancies for the occurrence of good versus bad outcomes" (p. 171) and – in contrast to, e.g., explanatory style and other constructs related to optimism – distinguishes general outcome expectancies from general attributions of causes for these expectancies (Peterson, 2000; Scheier & Carver, 1987). This source-independent conceptualization of optimism has been made explicit by Scheier and Carver (1987, p. 170):

In our view, a person may hold favorable expectancies for any number of reasons—because of personal efficacy, because the person is lucky, because he or she is favored by God, or for other reasons. The result in any case should be an optimistic orientation—that is, generalized expectations that good things will happen.

In our effort to better understand dispositional optimism and its antecedents and correlates, we follow the lead by Scheier and Carver (1987) and study the relationship between dispositional optimism and general beliefs about various potential

sources of optimism. Our theoretical framework is based on Bandura's social cognitive theory (1977, 1997) applied to life in general instead of specific contexts and follows Bandura's (2012) call to not only focus on self-efficacy but to additionally consider beliefs about external factors. Furthermore, we draw on related work from Levenson (1974) to distinguish between external factors with respect to chance and powerful others.

2.1. General self-efficacy and locus of control

At the core of Bandura's (1977, 1997) social cognitive theory – especially its component related to self-efficacy – there is the conceptual distinction between task- or context-specific beliefs about one's own performance (self-efficacy), expectancies of one's favored outcomes, and beliefs about the degree to which the occurrences of one's favored outcomes depend on one's own performance (control beliefs):

“Perceived self-efficacy is a judgment of one's ability to organize and execute gives types of performances, whereas an outcome expectation is a judgment of the likely consequences such performances will produce. [...] Controllability affects the extent to which efficacy beliefs shape outcome expectancies [...]” (Bandura, 1997, p. 21 and 23)

Bandura (1977, 1997) clearly distinguishes between self-efficacy, outcome expectancies, and control beliefs. The belief that one can perform well given a sufficient effort is referred to as *self-efficacy*. The perceived link between one's performance and the likelihood of one's desired outcome referred to as *control belief* (Bandura, 1977, 1997). This matches with Rotter's (1966, p. 1) definition of internal locus of control as the perception “that the event is contingent upon his own behavior or his own relatively permanent characteristics.”¹ The distinction of self-efficacy and outcome expectancy at a context-specific level mirrors Scheier and Carver's (1987) distinctions of corresponding constructs at the general level. These conceptual equivalences are the starting point for our theoretical argument.

While Bandura's (1977, 1997) social cognitive theory has been developed and is mostly applied in context-specific ways, Rotter (1975), Skinner (1996), Judge, Locke, and Durham (1997), and Judge, Bono, Erez, Locke, and Thoresen (2002) argue that outcome expectancies, control, and efficacy beliefs can be usefully conceptualized along a continuum from the very context-specific to the very general level: “At the specific pole are control beliefs that are relevant only to certain episodes, interactions, or behaviors, such as being able to lift weights of a certain number of pounds or solve subtraction problems involving certain number of digits. At the general or global pole are beliefs than span all outcomes and areas in life” (Skinner, 1996, p. 555) and, further “It can also be seen that the distinction between specific expectancy and generalized expectancy is also arbitrary and is only a means of clarifying the problem of arriving at an accurate estimate.” (Rotter, 1975, p. 55).

In order to better understand dispositional optimism, we apply Ajzen and Fishbein's compatibility principle (compare Ajzen, 1988) and conceptualize control beliefs, self-efficacy beliefs, and external-efficacy beliefs at the same level as dispositional optimism, which is, related to one's life in general. Mirroring Bandura's (1977) conceptualization of context-specific self-efficacy, *general self-efficacy* is defined as “individuals' perceptions of their ability to perform across a variety of situations.” (Judge et al., 1998, p. 170) Similarly we consider control beliefs at a general level. Note that despite generalizing across contexts, we follow Levenson (1974) and keep a first-person – as it is assumed for dispositional optimism – rather than third-person focus and do not consider beliefs that generalize beyond the own person.²

Despite Bandura's (1997) skepticism about the benefits of studying general beliefs and, in particular, general self-efficacy, general beliefs are especially useful if these general beliefs are assumed to reflect personality differences (Boone & de Brabander, 1993; Judge et al., 1997; Rotter, 1975). Empirical relevance is, for instance, revealed by Chen, Gully, and Eden (2001) and Chen, Goddard, and Casper (2004) who show that general self-efficacy affects task performance. While Judge et al. (1998) find associations of general self-efficacy and locus of control with job and life satisfaction, Judge and Bono's (2001) meta-analysis additionally reveals substantial associations with job performance. Schweizer and Koch (2001) explicitly consider general self-efficacy as a component of general optimism, whereas optimism about social and other person-independent matters are distinguished parts. Both general self-efficacy and locus of control have been found to be related to business creation as well as success (Rauch & Frese, 2007), and – not the least important with respect to our study – both have been found to be positively related to dispositional optimism (Bryant & Cvengros, 2004; Carver & Scheier, 1991; Karademas, 2006).

For context-specific beliefs, Bandura (1997) suggests that the relationship between self-efficacy and outcome expectancies is moderated by control beliefs. His logic is straight forward: If one's own performance and, more generally speaking, factors under one's own control are perceived as not influencing the likelihood of the occurrence of desired outcomes, then

¹ Based on a survey of terms that are used by academic researchers to refer to concepts of control, Skinner (1996) reports that the term control is not used in an unambiguous way: it is used to refer to outcome expectancies, self-efficacy, as well as to control beliefs as defined by Rotter (1966) and Bandura (1977). A similar confusion is resolved by Ajzen (2002) with respect to the concept of perceived behavioral control in the well-established and frequently used Theory of Planned Behavior.

² In contrast, third-person views or worldviews are beliefs that represent generalizations beyond the individual to other or to all people within an organization (compare Chen et al., 2004; Levenson, 1974). For instance, while Levenson's (1974) measure of control focuses on first-person views, Rotter's (1966) measure of locus of control asks for both third-person and first-person views, e.g. “Capable people who fail to become leaders have not taken advantage of their opportunities,” or “Many times I feel that I have little influence over the things that happen to me”. Predicting outcome expectancies for oneself based on beliefs about people in general would lead to what Ajzen (1988) refers to as evaluative inconsistency that can be a reason for not observing theorized relationships (compare insignificant effects of optimism on entrepreneurial opportunity recognition in Simon, Houghton, & Aquino, 2000, and Keh, Foo, & Li, 2002, where optimism was measured in a way generalized beyond the first-person).

beliefs about this performance and these factors will not influence a person's belief about the likelihood of such outcomes. If, on the contrary, all factors influencing the occurrence of favored outcomes are under one's own control or if the own performance completely determines the outcome, then such beliefs about internal factors and the own performance will completely determine outcome expectancies.

This interaction or an interaction of closely related constructs has been empirically supported in the job context with respect to work stress measured as blood pressure (Schaubroeck, Lam, & Xie, 2000; Schaubroeck and Merritt, 1997). It has also been observed by Krueger and Dickson (1994) for entrepreneurial opportunity recognition. Recent results reported by Monsen, Urbig, Renko, El Tarabishy, and Schjoedt (2010) suggest that both variables interact with respect to selection into entrepreneurship. Similarly, Litt (1988) shows that self-efficacy and locus of control interact with respect to a person's choice and persistence when confronted with an aversive stimulus.

Since the same arguments can be put forward at a general level as at the specific level, just differing with respect to the generality of the considered beliefs and behaviors, we believe that Bandura's (1997) proposed moderation hypothesis should hold true at both the context specific and the general levels, and thus we propose our first hypothesis:

Hypothesis 1. The relationship between general self-efficacy and dispositional optimism is more positive if individuals perceive more internal control and less positive if they perceive more external control.

2.2. General external-efficacy and locus of control

According to Bandura (1997), self-efficacy beliefs influence outcome expectancies when an individual believes that he or she is in control, at least to a large extent. What, however, influences outcome expectancies if an individual does not believe that he or she is in control; that is, if mostly external factors influence whether or not one experiences favorable outcomes? Skinner (1996) argues that efficacy beliefs cannot only be defined for the self (self-efficacy), but also for other factors affecting these outcomes. Following this idea, we refer to efficacy beliefs about these other factors, which are not under one's own control, as *external-efficacy beliefs*. Building on the work by Rokeach (1972), Levenson (1974), and Judge et al. (1997), we further differentiate between other people, on the one side, and chance and nature, on the other side, as external factors. We suggest that especially if an individual does not believe to be in control, generalized beliefs about the efficacy of such external factors will influence generalized outcome expectancies, that is, dispositional optimism.

We define *general other-efficacy beliefs* as the expectancy that, across a variety of different situations in life, those who have the power to either help or hinder one's own outcomes are more likely to actually help and not hinder. Other-efficacy overlaps with the construct of perceived social support, which is broadly defined as the availability of help in times of need from supervisors, coworkers, family members, and friends (Rahim, 1997). Suurmeijer et al. (1995) distinguish a social-emotional type (e.g., affection, sympathy or companionship) from an instrumental type of social support (e.g., advice, practical help or financial aid). The latter refers to support that directly helps to achieve desired outcomes, it is instrumental. The former, however, refers to support that may help dealing with consequences of not achieving or expecting not to achieve one's desired outcomes or refers to support where the "support" is the desired outcome, e.g., the need to experience sympathy. As this study's goal is to complement general self-efficacy as the belief to be able to execute required actions, the focus is on instrumental social support. To make the conceptual parallelism with general self-efficacy more explicit, we label perceived general instrumental social support as general other-efficacy.

Karademas (2006) reports that perceived social support positively correlates with optimism; he focused, however, on emotional support and not – as we do – on instrumental social support. Schweizer and Schneider (1997) and Schweizer and Koch (2001) consider social optimism as a facet or dimension of optimism. Their conceptualization of social optimism, however, refers to a belief generalized beyond the individual, for instance, "Future generations will face a dark time." In this article we focus on an evaluation of the external world's efficacy with respect to one's own individual goals and not with respect to all people. Suurmeijer et al.'s (1995) concept of general instrumental social support, which corresponds to our conceptualization, has been found to be related to human behavior and judgments and, especially to general perceptions of quality of life (Doeglas et al.'s, 1996), which we believe should be closely related to believing that it is more likely to experience good than bad outcomes in life. General instrumental social support, which we refer to as general other-efficacy, is therefore a potential antecedent of expecting good things to happen (i.e., optimistic outcome expectancies).

Other people are just one possible external source of influence on one's own outcomes; nature and chance are another (compare Judge et al. (1997), Levenson (1974), and Rokeach (1972)). *General chance-efficacy*³ describes people's beliefs about

³ At the first glance, the term chance-efficacy might sound strange or even like a contradiction in terms. It has, however, been used to describe beliefs of jazz artists in the popular press who practiced an artistic technique called aleatory or aleatoricism: "Aleatory enjoyed its best run in the 1960s, when the influence of John Cage's philosophy, if not his actual music, tickled the imagination of avant-gardists the world over. However, so few composers managed to exploit chance with much success, even in timid ways, that interest in such experiments gradually dried up. Today, Mr. Lutoslawski is one of few remaining believers in the efficacy of chance in music, possibly because as a Pole he feels attracted to the idea of freedom in any guise." (Henahan D., January 29, 1988, Friday, Music: The Cleveland. The New York Times, pp. Section C; Page 36, Column 31; Weekend Desk) Further, the phrase "efficacy of chance" has also been referred to in Jules Verne's (1911) story, "A Floating City": "[...] if the meeting must take place, it seems to me that it can only do so in America, and before we get there, chance, which has brought about this state of things, will, perhaps, turn the scales in our favor.' Captain Corsican shook his head like a man who had no faith in the efficacy of chance in human affairs." These popular uses of the label efficacy of chance, perfectly match our use of this term.

events outside one's own and other people's control, i.e., whether they believe that nature and luck help or hinder the occurrence of desired outcomes.

Research on the link between such beliefs and dispositional optimism is rare – not the least because such beliefs have rarely been distinctively conceptualized and operationalized. In developing the construct of belief-in-good-luck and a corresponding psychometric scale, Darke and Freedman (1997) report that their scale has a significantly positive correlation with the belief that life is controlled by luck and, thus, with an external locus of control. Because the literature on locus of control finds that internal control correlates positively with dispositional optimism, one might expect that belief-in-good-luck negatively correlates with dispositional optimism. In contrast, Darke and Friedman (1997) find virtually no correlation with dispositional optimism and Day and Maltby (2003, 2005) find small but significantly positive correlation between belief-in-good-luck and dispositional optimism. We suspect that these mixed results are due to the fact that Darke and Freedman (1997) mix control beliefs about luck, e.g., “Luck plays an important part in everyone's life,” with efficacy beliefs about luck, e.g., “I consider myself to be a lucky person.” In fact, Maltby, Day, Gill, Colley and Wood (2008) report a multi-dimensional structure of Darke and Friedman's scale, where items that we would classify as external control by chance and chance-efficacy separate into different factors. Our conceptualization provides a theoretical basis for Maltby's and colleagues' empirical finding and emphasizes the relevance of distinguishing not only self-efficacy from internal control (as advocated by Bandura, 1997), but also chance-efficacy from control by chance. Focusing on chance-efficacy, we expect a positive correlation to dispositional optimism, which, however, becomes stronger if external factors including chance are perceived to have more control over one's life.

In summary, we propose that efficacy beliefs about external factors are more important if individuals perceive less internal control, that is, the more they believe that such external factors influence the occurrence of their favoured outcomes, as outlined in Hypotheses 2 and 3:

Hypothesis 2. The relationship between general other-efficacy and dispositional optimism is less positive if individuals perceive more internal control and more positive if they perceive more external control.

Hypothesis 3. The relationship between general chance-efficacy and dispositional optimism is less positive if individuals perceive more internal control and more positive if they perceive more external control.

Fig. 1 provides a graphical representation of our theoretical framework and the three corresponding hypotheses.

3. Empirical test

We now proceed to empirically test our hypotheses using survey data. In this section we first describe our survey participants, and then the individual survey measures. The following section reports the results.

3.1. Participants and procedure

In April 2008, we distributed a questionnaire (in German) in two undergraduate courses at a German university, one course on economic and social history and one course on inheritance law. The students attending these lectures were majoring in a variety of subject areas, including law, teaching and education, economics, management, psychology, politics, philosophy, communication sciences, sociology, languages, German, geography, business mathematics, medicine, sports, chemistry, computer science, arts, and history. The survey was completed during the first 15–20 min of the lectures. In each of the lectures, we randomly distributed three gifts, valued between 5 and 30 Euro and depending on returning a filled survey. Out of 244 responses, 18 participants did not fill out all items required for the analyses and were, therefore, removed from the sample. Further, we identified two participants as outliers who had extreme scores on both leverage and studentized residual when estimating our full models (compare Cohen, Cohen, West, and Aiken (2003) on identifying influential outliers). Our final dataset for hypothesis testing consists of 224 participants, 109 women and 116 men.

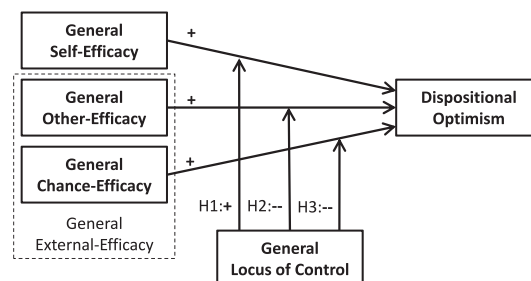


Fig. 1. Conceptual framework and visualized hypotheses.

3.2. Dependent variable

We measured *dispositional optimism* (OPT) with the revised life-orientation test introduced by Scheier, Carver, and Bridges (1994), which has been indicated by Peterson (2000) to clearly reflect the definition of optimism. Among the items there are: “In uncertain times, I usually expect the best” and the reverse-coded item, “If something can go wrong for me it will.” (Scheier et al., 1994, p. 1073). We utilized a seven-point Likert scale ranging from “completely disagree” to “completely agree.” The scale was translated into German by the first author, a native German speaker fluent in English, and the translated was corrected by the second author, a native English speaker fluent in German. In our data, Cronbach’s alpha is sufficiently high ($\alpha = 0.76$) and the factor analysis shows a single factor with the largest eigenvalue being 2.05 and the second largest being 0.23.

3.3. Independent variables

Control beliefs were measured by Levenson’s (1974) IPC scale, which in contrast to Rotter’s (1966) measurement focuses on first-person evaluations and avoids third-person statements. We use the German translation by Mielke (1979). We utilized a seven-point Likert scale ranging from “completely disagree” to “completely agree” (7 – internal; 1 – external). The scale consists of three subscales related to control by oneself, control by other people, and control by chance. Based on results reported by Levenson (1974), Levenson and Miller (1976) and Mielke (1979), who report that not all items load on their corresponding subscales or show sufficient correlation with corresponding other items, and based on the observation that research, for example in entrepreneurship (Chen, Greene, & Crick, 1998), only utilizes subsets of Levenson’s (1974) items, we excluded six items that displayed very low item-rest correlation with the total scale, i.e., below 0.2. The resulting scale, which we refer to as LLOC, shows an acceptable Cronbach’s alpha of 0.79. Additionally we calculated a score CLOC based on the 10 internal and chance-related items used by Chen et al. (1998). Cronbach’s alpha is 0.68.

One could also consider Levenson’s IPC subscales that provide three absolute values for perceived impacts of internal factors, powerful others, and chance. However, a person might believe more than another person in both internal and external control, which is inconsistent with Rotter’s conceptualization. To overcome this problem, we used an alternative score that maps the three factors into one composite factor. Among Levenson’s item set there are multiple triples of items that belong to a single topic but ask for the three different types of control (self, others, and chance); for example, “When I get what I want, it’s usually because I worked hard for it,” “Getting what I want requires pleasing those people above me,” and “When I get what I want, it’s usually because I’m lucky.”⁴ We normalize the response to each item on internal control by dividing it by the sum of all three responses within the corresponding triple (internal, powerful others, and chance), resulting in relative values ranging from 0 to 1 for each item triple. These values are then averaged to reflect a participants locus of control with values ranging from 1 (internal locus of control) to 0 (external locus of control). Our transformation accounts for the fact that the responses within these items triples might significantly higher correlate with each other than with those items asking for the same source of control in other triples. After re-considering the results reported by Levenson (1974), and by Mielke (1979), which both indicate false loadings and weak items among Levenson’s IPC items we selected a subset⁵. The normalized responses to the selected four item triples form a single factor with Cronbach’s alpha of 0.75, indicating a sufficient internal reliability. We refer to it as NLOC.

For measuring *general self-efficacy*, we used four items from the New General Self-Efficacy (NGSE) scale by Chen, Gully, and Eden (2001) that ask about one’s own performance: “When facing difficult tasks, I am certain that I will accomplish them,” “If it only depends on my abilities, then I will be successful,” “I am confident that I can perform effectively on many different tasks,” and “Even when things are tough, I can perform quite well.” The excluded four NGSE items focus on achievement of goals, which refers to outcomes and outcome expectancies and could therefore be confounded with control beliefs and outcome expectancies (compare discussion on outcome versus performance by Bandura, 1977, 1997, 2012).

The items used to measure *general other-efficacy* are similar in spirit to Suurmeijer’s (1982) Social Support Questionnaire (reported in Doeglas et al. (1996)), but they were designed for a different response format and refer to more general contexts: “I am always optimistic regarding support from others,” “I general, I expect that more people will help than hinder me,” “Other people generally have my best interest at heart,” and “When confronted with difficult tasks I can count on the help of others.”

General chance-efficacy is measured with the following items: “I would never rely on luck,” “When my success depends on luck, then I often do better than others would expect,” “Even if it depends only on chance, I am still optimistic,” and “I would never rely on a lucky accident.” These items are similar to items of Darke and Freedman’s (1997) belief-in-good-luck-scale,

⁴ According to Rotter’s conceptualization, the responses to these different questions should be highly (if not perfectly) correlated – it is therefore unclear whether a factor analysis picks up the negative correlation between, internal and external items on one topic or the positive correlation between internal items across topics.

⁵ The selected triplets are: (a) I am usually able to protect my personal interests. / People like myself have very little chance of protecting own personal interests when they conflict with those of strong pressure groups. / Often there is no chance of protecting my personal interest from bad luck happenings. (b) My life is determined by my own actions. / My life is chiefly controlled by powerful others. / To a great extent my life is controlled by accidental happenings. (c) When I get what I want, it’s usually because I worked hard for it. / Getting what I want requires pleasing those people above me. / When I get what I want, it’s usually because I’m lucky. (d) I can pretty much determine what will happen in my life. / I feel like what happens in my life is mostly determined by powerful people. / I have often found that what is going to happen will happen.

which, however, does not distinguish between efficacy and control (compare empirical results reported in Maltby et al., 2008).

As is the case with the self-efficacy items, our other-efficacy and chance-efficacy items clearly distinguish between efficacy and control beliefs and are clearly distinguished from outcome expectancies. The twelve efficacy items in the questionnaire were intermixed to reduce halo effects, but this procedure can lower between-item correlations. We utilized a seven-point Likert scale ranging from “completely disagree” to “completely agree.”

Running a common factor analysis on all efficacy items with a Promax rotation, we find three factors with eigenvalues above one (2.26, 1.47, and 1.30) with a large gap to the fourth factor (0.35). All items load highest on their corresponding factors and – except for two items in chance efficacy – the loadings exceed 0.55. Cross loadings do generally not exceed 0.2. Cronbach's alphas are 0.79 for self-efficacy, 0.73 for other efficacy, and 0.63 for chance efficacy. While factor analysis and reliability analysis indicate a weakness of chance-efficacy, an alpha of 0.63 is still acceptable for exploratory research; consequences, most likely an underestimation/attenuation of the associated effect, are addressed in Section 5.

3.4. Control variables

As *control variables* we include a contrast code for the two lectures (pop = –1 for economic and social history, pop = 1 for inheritance law). In addition, we include age and gender as control variables, as they have been found to affect risk taking behavior (e.g., Dohmen et al., 2011), and as such might also affect perceptions of risk and in turn dispositional optimism.

4. Results

4.1. Summary statistics

Table 1 reports the summary statistics and correlations for all model variables. As expected, the different operationalizations of locus of control are highly correlated but are not identical. Consistent with Judge et al. (1998), we find that participants with greater self-efficacy also tend to have a more internal locus of control. Depending on the operationalization the correlation varies between 0.43 and 0.5. The correlation between LOC and dispositional optimism (OPT) is between 0.28 and 0.34 depending on the operationalization of LOC, which is consistent with Carver and Scheier (1991), who report values in the upper 20s. As such, our data is generally consistent with prior studies.

4.2. Statistical procedures employed for hypotheses testing

To test our hypotheses, we run moderated regression analyses based on the standardized variables measuring locus of control, self-efficacy, other-efficacy, and chance-efficacy, as well as age, the samples indicator, and gender. Results are reported in Table 2. Because all variables that are part of interaction terms are centered and standardized, their main effects can be interpreted as average effects of variables, averaged over all values of the moderating variable locus of control (Cohen et al., 2003).

Due to the substantial correlation between self-efficacy and locus of control, a significant interaction of these constructs could just be a reflection of a quadratic effect of either self-efficacy or locus of control (see Lubinski & Humphreys, 1990). We therefore follow a suggestion by MacCallum and Mar (1995) and control for the quadratic effects of those terms that form interaction terms. MacCallum and Mar (1995) emphasize that this is a conservative test of the interaction effect. Variance inflation factors below 5.15 and condition indices below 5.49 (excluding the squared effects, the variance inflation factor

Table 1
Correlations and summary statistics.

	1	2	3	3	4	5	6	7	8	9
Mean	4.50	5.12	4.88	.46	5.11	4.56	3.76	21.30	0.51 ^a	0.54 ^b
Standard deviation	1.00	.65	0.66	.08	.80	1.03	1.07	2.08	–	–
1 OPT	1									
2 LLOC	0.34	1								
3 CLOC	0.33	0.87	1							
3 NLOC	0.28	0.92	0.82	1						
4 SE	0.43	0.49	0.50	0.43	1					
5 OE	0.37	0.10	0.15	0.10	0.13	1				
6 CE	0.37	–0.06	–0.13	–0.06	0.08	0.06	1			
7 Age	0.06	0.02	0.01	0.05	0.09	–0.12	–0.04	1		
8 Male	–0.01	–0.04	–0.04	–0.07	0.12	–0.09	–0.05	0.16	1	
9 Population	0.00	–0.06	–0.05	–0.09	0.02	–0.01	0.09	–0.00	0.01	1

Notes: $N = 224$, significance levels, $p < 0.05$ for values above 0.132, $p < .01$ for values above 0.173, and $p < 0.001$ for values above 0.221.

^a Dichotomous variable, share of males, 1–0.51 is the share of females.

^b Dichotomous variable, share of students from lecture on economic and social history, 1–0.54 is the share of students from lecture on inheritance law.

Table 2

OLS regression analyses of general beliefs on dispositional optimism using different operationalizations of locus of control.

LOC operationalization	LLOC	CLOC	NLOC
Constant	0.05 (0.08)	0.03 (0.08)	0.02 (0.09)
<i>Control variables</i>			
Gender contrast (f: -1, m: +1)	-0.01 (0.05)	-0.03 (0.05)	-0.02 (0.06)
Age (standardized)	0.08 (0.05)	0.08 (0.05)	0.07 (0.05)
Population contrast (-1 versus +1)	-0.03 (0.05)	-0.04 (0.05)	-0.02 (0.05)
ΔR^2 (F value)	0.004 (0.32)	0.004 (0.32)	0.004 (0.32)
<i>Main effects</i>			
Self-efficacy (standardized) SE	0.30 (0.07)***	0.28 (0.07)***	0.30 (0.06)***
Other-efficacy (standardized) OE	0.32 (0.06)***	0.30 (0.06)***	0.31 (0.06)***
Chance-efficacy (standardized) CE	0.33 (0.05)***	0.34 (0.05)***	0.33 (0.05)***
ΔR^2 (F value)	0.393 (47.18)***	0.393 (47.18)***	0.393 (47.18)***
Locus of control (standardized) LOC	0.11 (0.06)	0.12 (0.06)	0.12 (0.06)*
ΔR^2 (F value)	0.015 (5.50)*	0.029 (10.59)*	0.022 (8.06)**
<i>Controlling for squared effects</i>			
SE \times SE	-0.06 (0.05)	-0.08 (0.05)	-0.04 (0.04)
OE \times OE	-0.01 (0.04)	-0.04 (0.04)	-0.02 (0.04)
CE \times CE	0.04 (0.04)	0.02 (0.04)	0.03 (0.04)
LOC \times LOC	-0.12 (0.05)**	-0.09 (0.05)	-0.08 (0.04)
ΔR^2 (F value)	0.004 (0.39)	0.004 (0.39)	0.007 (0.68)
<i>Interaction effects</i>			
LOC \times SE	0.22 (0.08)**	0.24 (0.08)**	0.18 (0.07)**
ΔR^2 (F value)	0.016 (6.06)*	0.022 (8.60)**	0.019 (7.32)**
LOC \times OE	0.04 (0.05)	0.09 (0.05)	0.03 (0.06)
ΔR^2 (F value)	0.000 (0.00)	0.003 (1.34)	0.000 (0.11)
LOC \times CE	-0.13 (0.06)*	-0.19 (0.05)***	-0.15 (0.06)*
ΔR^2 (F value)	0.018 (6.72)*	0.031 (12.45)***	0.013 (5.19)*
N	224	224	224
Total R^2 (F value)	0.451 (12.25)***	0.487 (14.17)***	0.459 (12.69)***
Adjusted total R^2	0.414	0.453	0.423
<i>Post-hoc tests: linear combinations^b</i>			
(a) LOC + LOC \times SE - LOC \times CE	0.46 (0.11)***	0.55 (0.10)***	0.45 (0.11)***
(b) LOC - LOC \times SE + LOC \times CE	-0.23 (0.13) ^a	-0.30 (0.13) ^a	-0.20 (0.11) ^a

Notes: Models differ with respect to the operationalization of locus of control. Coefficients reported for the full model. Standard errors reported in parentheses. Delta R -squared reported based on hierarchical regression.

^a significant at the 10% level.

^b Test marginal effect of LOC for average level of LOC and a) high levels of SE (+1 S.D.) and low levels of CE (-1 S.D.) and b) low levels of SE (-1 S.D.) and high levels of CE (-1 S.D.).

* $p < 0.05$.

** $p < .01$.

*** $p < 0.001$.

decreases below 2.28 and the condition index decreases to 2.28) indicate that there is no substantial issue with multi-collinearity (Cohen et al., 2003).

For the models used for hypothesis testing, i.e., the full models, the Breusch–Pagan test for heteroscedasticity is insignificant, such that we do not have indications of problems with heteroscedasticity. Further, for residuals in all of these models we cannot reject the normality assumption based the test suggested by D'Agostino et al. (1990). In sum, we feel confident in applying OLS regressions. Additionally, we have estimated our models with heteroscedasticity-robust standard errors as well as with bootstrapped standard errors. Further, while no participant's composite score on the dependent variable OPT is at the theoretical minimum (1) or maximum (7), there might still be effects due to range restrictions on single items. We therefore estimated tobit models with rather conservative thresholds 2.5 as a lower threshold (11 censored observations) and 5.5 as the upper threshold (40 censored observations). All robustness checks corroborate our results and conclusions (detailed reports are available upon request).

4.3. Hypothesis tests

Hypothesis 1, which states that locus of control positively moderates the relationship between general self-efficacy and dispositional optimism, is consistently supported. For all three operationalizations of locus of control, the interaction is significant and adds (independent of the order of the inclusion of interaction terms) more than one percent point to the

explained variance as it can be expected for interactions of psychometric measurements (Champoux & Peters, 1987) and is comparable to the increase in explained variance for the main effect of locus of control.

Hypothesis 2, which, states that locus of control negatively moderates the relationship between general other-efficacy and dispositional optimism is not supported in any of the operationalizations of locus of control. *Hypothesis 3*, however, which states that locus of control negatively moderates the relationship between general chance-efficacy and dispositional optimism is consistently supported. The increment in explained variance is between one and three percent as can be expected for interaction of such psychometric measurements (Champoux & Peters, 1987). The negative moderation effect of locus of control is therefore only supported for one of two external factors: chance-efficacy.

To help ensure the robustness of these findings, we tested if the order in which the interaction terms were entered into the model affected the incremental explained variance of the interaction terms. We found no substantial differences based on the order of interaction terms.

The top two rows in Fig. 2 depict the two moderation effects for the three operationalizations of locus of control. Dispositional optimism is plotted for a range of values (mean plus/minus one standard deviation) of general self-efficacy and chance-efficacy for high values of locus of control (mean plus/minus one standard deviation), keeping the other variables fixed at the average value. Because our estimated models include squared terms of the main effects (see Table 2), the lines exhibit a slight curvature. These graphs demonstrate that a greater self-efficacy is associated with greater optimism if there is a more internal locus of control and – independent of the absolute level of dispositional optimism – associated with higher or lower levels of locus of control, this interaction reflected by a steeper slope of the line representing the case with more internal locus of control (mean plus one standard deviation) compared to the case with less internal locus of control (mean minus one standard deviation). Similarly, the plots illustrate that a greater chance-efficacy is associated with greater optimism if there is a less internal locus of control. In other words, the positive effect of higher efficacy associated with a source of optimism is greater if the source is believed to be in control of one's life and diminished or even absent if the source not believed to be in control of one's life.

Carver and Scheier (1991) argue that despite being related to dispositional optimism, locus of control is not a substantial driver. Comparing the increments in explained variance between locus of control and the moderation effects of locus of control in Table 2 indicates that the influence of locus of control is predominantly indirect via moderation effects. Despite that the moderation effects are entered after the main effect, which conservatively implies that shared variance is attributed to

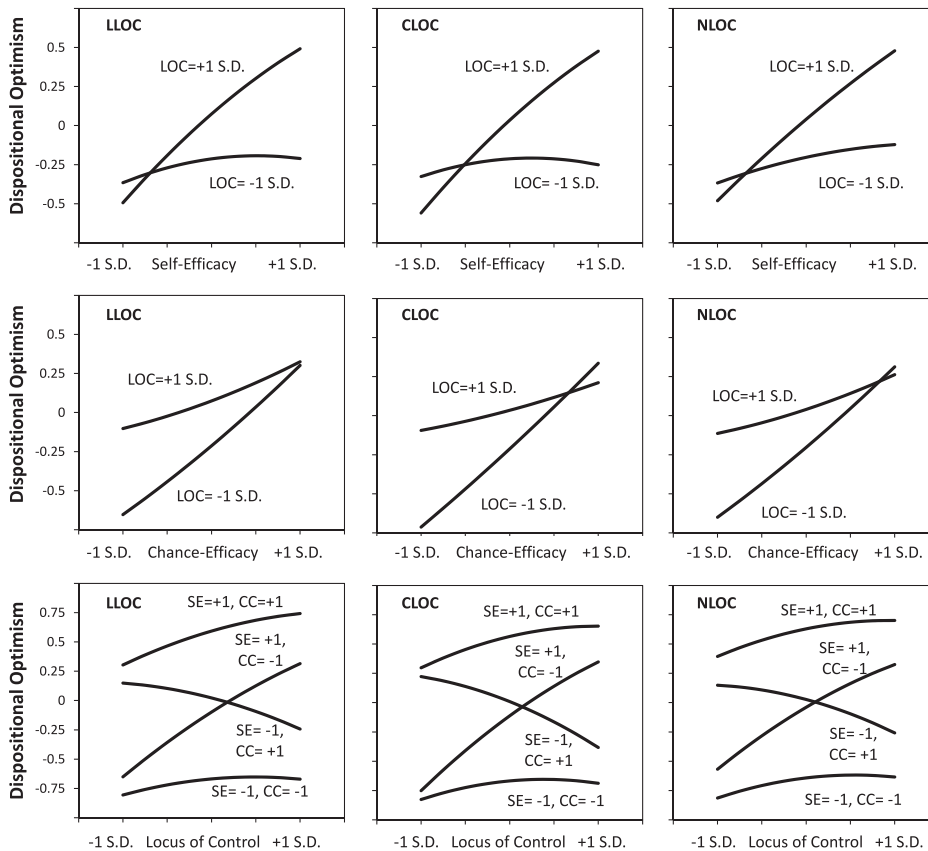


Fig. 2. Interaction plots for the effects of locus of control (in the three operationalizations) and efficacy beliefs on dispositional optimism.

the main effect only, the interaction terms' joint increase in explained variance is consistently greater than the incremental variance explained by the main effect of locus of control.

5. Discussion and conclusions

5.1. Summary

The starting point for this article was Bandura's (1997) insight regarding the moderation effect of perceptions of control on self-efficacy with respect to outcome expectations. First, consistent with corresponding conceptualizations of control and efficacy beliefs by Scheier and Carver (1987), Rotter (1975), and Skinner (1996), we extended this moderation argument to higher-level general counter-parts of Bandura's context-specific beliefs. Second, consistent with Bandura's (2012) call to include not only self-efficacy but also beliefs about external enablers and obstacles, we hypothesized a negative moderation effect of internal locus of control on general external-efficacy beliefs, which are split into general other-efficacy (instrumental social support) and general chance-efficacy beliefs.

Testing our hypotheses based on a sample of 224 students, we have found support for two out of three moderation hypotheses. While the moderation effects of locus of control on self-efficacy and chance-efficacy were supported, the moderation effect of locus of control on other-efficacy was not supported.

5.2. General other-efficacy and locus of control

Surprisingly, we did not find support of our hypothesis for a negative moderation effect of locus of control on other-efficacy. Nevertheless, a moderation effect of locus of control on chance-efficacy has been found. These findings re-iterate Levenson's (1974) and Levenson and Miller's (1976) observation that expectations about others are – despite being beliefs about external factors – qualitatively different from beliefs about nature and chance.

Our post-hoc interpretation of our insignificant result relates to what Bandura (1997) refers to as proxy control, where “people try to get those who wield influence and power to act on their behalf to effect the changes they desire.” (1997, p. 17) Engaging in such proxy control is, for instance, of central importance for social activists (compare Levenson & Miller, 1976). Out of this reasoning arises a caveat to our theoretical argument about locus of control and other-efficacy: for individuals exerting proxy control, it is not the a priori belief about the efficacy (i.e., helpfulness) of others that matters, because obtaining favorable outcomes additionally depends on one's own ability to convince others to act in one's own favor (independent of their a priori willingness to help). If engaged in proxy control, it is not clear whether people consider this internal or external control. These ambiguities surrounding control by other people might have motivated Chen et al. (1998) to focus on internal versus chance-control when measuring internal versus external control. In our study, the model based on Chen and colleagues' operationalization of locus of control yields the largest explained variance, which further indicates the relevance of such considerations.

Future research should further develop constructs and measures of locus of control in order to disentangle control by other people that is internalized and control by other people that is not internalized. Such a development might relate locus of control by other people to constructs of social influence and social power (compare French & Raven (1959)). Such developments might not only help understanding the effect observed in this study, but might also help to better understand the dynamics of control in firms and institutions, where control by other people is an important source of potentially internalized external control.

5.3. A less positive and possibly negative effect of more internal control

Previous research assumes that perceiving more control is associated with more optimistic outcome expectancies (compare Weinstein, 1980). When temporally stable and generalized across contexts, control beliefs or related constructs were suggested and empirically shown to be positively associated dispositional optimism (compare Carver and Scheier (1991), Seligman (1992), and Weinstein (1980)). Our two moderation arguments can shed some new light on the correlation between locus of control and dispositional optimism.

First, consistent with Bandura's (1997) statement that controllability affects the extent to which efficacy beliefs affect outcome expectancies, we find that locus of control substantially moderates the effects of general self-efficacy and general chance-efficacy on optimism. Therefore, the explanatory power of locus of control is likely to be underestimated if one focuses on main effects only (compare Carver & Scheier, 1991, on optimism, but also Spector, 1997, on job satisfaction). Based on our arguments and empirical findings, it seems more promising to follow research such as Chen et al. (2004) focusing on the moderating influences of locus of control.

Second, the overall relationship of locus of control with dispositional optimism is the sum of the direct effect and its indirect moderation effects. Due to the moderation effects, the overall relationship of locus of control and dispositional optimism depends on the levels of self-efficacy and external-efficacy beliefs. In our data, only the moderation effects on self-efficacy and on chance-efficacy are significant. If the effect due to the negative moderation on chance-efficacy is sufficiently strong compared to the positive moderation of self-efficacy and a possibly positive main effect (which is if self-efficacy is relatively

low but chance-efficacy is relatively high), then we can find a negative relationship between locus of control and dispositional optimism. On the contrary, if the positive moderation on self-efficacy is sufficiently strong compared to the negative moderation on chance-efficacy (which is if self-efficacy is relatively high but chance-efficacy is relatively low), then we are likely to find an especially strong positive relationship between locus of control and dispositional optimism. If both sources of optimism are equally evaluated, then a difference in control does not make much of a difference.

The bottom row in Fig. 2 illustrates these situations by plotting the relationship between locus of control and dispositional optimism for different levels of general self-efficacy and general chance-efficacy (we fix other-efficacy at the sample average as it is not moderated by locus of control). We clearly observe the expected relationships. Table 2 reports a post-hoc test of the significance of the slope for the two extreme cases (due to non-linearity conditioned on the average level of LOC), both are significant. Therefore, the theorized and empirically supported interaction effects between efficacy and control beliefs can also be used to identify situations when more internal control is more positively or more negatively associated with dispositional optimism.

5.4. The core evaluations approach and our three types of general efficacy beliefs

There are related frameworks decomposing beliefs about the world into rather general classes of beliefs. Most recently and building on Rokeach's (1972) belief system, Judge and colleagues (1997, 1998) introduced the concept of *core evaluations*, which represent "fundamental, subconscious conclusions individuals reach about themselves, other people, and the world" (Judge et al., 1998, p.18). While our system of general efficacy and control beliefs focus on the same three basic dimensions, our framework reflects a slightly more specific conceptualization than core evaluations. While core evaluations combine self-efficacy, control as well as self-esteem into a single factor, our framework highlights the distinction between efficacy and control beliefs. Furthermore, Judge et al.'s (1998) measurement of external core evaluations refers to beliefs that generalize beyond the own person, e.g., "It is possible to attain happiness in this world." In contrast, our external-efficacy beliefs focus on the individual.⁶ In sum, our approach is an alternative to Judge et al.'s (1997) core evaluation approach; it is more focused and enables the investigation of more specific questions and mechanisms.

5.5. Limitations

Our study is not without limitations. Our self-report, cross-sectional survey design could be subject to errors resulting from consistency, priming, and problems associated with common method variance (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Siemsen and colleagues (2010) show that a correlation of measurement errors of dependent and independent variables cannot create artificially significant interactions but instead weakens interaction effects. As claimed for other studies (compare Schaubroeck et al. (2000) and van Yperen and Hagedoorn (2003)), our main findings related to moderation and interaction effects should therefore be robust to common method variance, and the estimated effect sizes might even be weakened by common method variance, leading to even more conservative estimates.

Further, our findings could be confounded by issues related to the measurement of our variables. As long as our measurement instruments are only subject to random errors and – despite being noisy – measure the construct they are supposed to measure, measurement errors lead to conservative tests underestimating the effect sizes and, thus, make it more difficult to find an effect (Cohen et al., 2003). This holds especially true for interaction effects, where the measurement errors associated with each of the interacting variables is multiplied and thus is leveraged (Champoux & Peters, 1987). The resulting attenuation is a reason to not expect large effect sizes for interaction effects (Champoux & Peters, 1987). While our scales are subject to measurement errors, especially the items related to chance-efficacy, our results indicate the appropriateness of these theoretical distinctions and should encourage researchers to further develop these measurement instruments or use alternative instruments.

Measurement errors and resulting attenuated coefficients are just one facet of the more general problem of endogeneity, which refers to a correlation between the dependent variable and the error terms of the independent variables. Other sources of endogeneity include omitted variables that correlate with independent variables in model and inverse causality or simultaneity of dependent and independent variables. Given our theoretical framework, we are not aware of omitted constructs that could be theoretically motivated and through their omission could constrain our results. On the contrary, we could argue that general beliefs depend on age and gender, such that the general beliefs might not be independent from these demographic variables. Based on our belief structures framework and relaxing the assumption that these beliefs are relatively stable over a life time, it might even be more accurate to exclude these demographic control variables. The observed correlations between control variables and general beliefs, however, are small and insignificant, and excluding these control variables does not change our findings.

Despite being relatively robust, general beliefs may also change, either during early childhood (Peterson, 2000; Rotter, 1966), due to repeated experiences as described in the literature on learned helplessness or learned optimism (Abramson et al., 1978; Peterson, 2000; Seligman, 1992), or due to sudden and fundamental (traumatic) experiences. Our cross-sectional research design only allows us to identify correlational structures at one specific point in time. By selecting dispositional

⁶ In our framework the previous statement from Judge et al. (1998) would need to be adjusted as follows: "It is possible *for me* to attain happiness in this world."

optimism as dependent variable in our regression analyses we follow previous empirical work (Ajzen, 2002; Bandura, 1997; Chen et al., 1998, 2004; Weinstein, 1980) and, thereby, indirectly assume that efficacy and control beliefs affect outcome expectancies or intentions and behavior. However, a reciprocal causality is at the core of social cognitive theory (Bandura, 1997, 2012). Based on a longitudinal analysis Anderson (1977), for instance, identified a dynamic reciprocal relationship between locus of control and performance.

If people's beliefs about outcomes are at least partially realistic, then such a reciprocal relationship could exist also for locus of control and outcome expectancies. Individuals may learn from experienced outcomes about their strengths and capabilities, but may also learn that they are more or less helpless or even out of control (compare discussion on explanatory style by Abramson et al., 1978). They may also attribute negative outcomes to external factors and thereby become convinced that other people or chance do not play in their own favor. Note, however, that – independent of the causality – these mechanisms create the same kind of correlation: a correlation between the belief about the dominant (controlling) driver of outcomes and the outcome expectancy. In order to identify the potentially reciprocal causality, future studies could employ longitudinal data in ways similar to Anderson (1977). Experimental methods, which are frequently used to overcome problems in identifying causality, are less useful in this context, because general beliefs are less likely to be effectively manipulated within an experiment spanning just a very limited time horizon.

5.6. Implications

This study makes two contributions to literature. First, it contributes to research on relationships between general beliefs and expectancies, and in particular general self-efficacy, social support, belief in good luck, locus of control and dispositional optimism. Following Scheier and Carver (1987), who proposed that individuals might be optimistic for different reasons, such as high self-efficacy or believing in good luck, we show that dispositional optimism is systematically related to general beliefs about the efficacy of internal factors (self-efficacy) and external factors (other-efficacy and chance-efficacy).

For different individuals, the strength of the interrelationships between these factors may vary. One reason for this can be found in the moderation hypothesis suggested by Bandura (1977, 1997), which proposes that the strength of these relationships depends on locus of control. This perspective also sheds new light on the relationship between locus of control and dispositional optimism, a relationship that researchers do not have reached a consensus about (compare Burger (1989), Carver and Scheier (1991)). We show that this relationship is less positive or even negative, if external-efficacy beliefs are lower and self-efficacy is higher. Our research suggests that there is a sort of a balance between general beliefs which requires more in-depth research.

Second, our study indirectly contributes to research linking dispositional optimism to people's behavior, and in particular to engaging in and succeeding at challenging goals. For example, previous research has shown that dispositional optimism is not only related to remarrying, to working harder, and to more risky investment strategies (Puri & Robinson, 2007); but also to being more charismatic, to experiencing better job search outcomes, to spending less effort on job search but also to being offered jobs more quickly (Kaniel et al., 2010). Optimism can also enhance performance if it causes affect and emotions that support performance (compare Compte & Postlewaite (2004)).

More importantly with respect to our study, optimism is also related to active coping (Scheier & Carver, 1987; Solberg Nes & Segerstrom, 2006). If dispositional optimism can result from different causes, then we argue that also the coping behavior is likely to vary despite being equally optimistic. If an individual believes that he or she is in control and is optimistic because of higher self-efficacy, then more effort might help to increase the perceived chances for success even further – an example of an active coping response. This argument is vital to Bandura's (1997) thoughts on how self-efficacy helps to motivate people. In the context of entrepreneurship, which is generally associated with higher internal control (Locke & Baum, 2007), Markman, Baron, and Balkin (2005) find that individuals scoring higher in self-efficacy are more likely to persist in the face of adverse events and exert more effort in order to succeed.

We would similarly expect that if individuals who are optimistic due to belief in good luck would also persist, but their optimism will not necessarily correspond to more effort. In this case, an individual might just wait for the lucky accident, which represents passive persistence. Both the actively coping and the passively coping individual are persistent because they are optimistic, but their coping behavior differs due to the structure of beliefs associated with their optimism. Therefore, if we can better understand the underlying structure of an individual's optimism, we should be able to better understand why equally optimistic individuals behave differently.

5.7. Conclusions

This study establishes the existence of a specific belief structure that is related to dispositional optimism. We illustrate that dispositional optimism – as hypothesized by Carver and Scheier (1987) – can indeed be related to different sources. Specifically, we extend Bandura's thoughts on a context-specific moderation of self-efficacy by control beliefs to both general self-efficacy beliefs and general beliefs about the efficacy of external factors being moderated by general locus of control. We expand existing research by reporting empirical support for an interaction of self-efficacy and locus of control with respect to dispositional optimism. Further, this study is the first to explicitly hypothesize and empirically identify a negative moderation of general external-efficacy beliefs, in particular the efficacy of chance, by general locus of control. By finding different results for general beliefs about the efficacy of others, we re-iterate the call that external factors are not

homogeneous and researchers should at least differentiate external factors with respect to powerful other people, on one hand, and chance and nature, on the other hand.

This study expands research on the relation between locus of control and dispositional optimism by illustrating why individuals with an internal locus of control can be *less optimistic* or *more pessimistic* than those with an external locus of control. While our study focuses on a correlational structure, we discuss that our hypotheses are consistent with various directions of causality, from efficacy and control beliefs to dispositional optimism and vice versa. We argue that the observation that an individual's optimism can cause (or be linked) to very different beliefs about self-efficacy and external efficacy beliefs has implications for understanding how people persist in the face of adverse events. Optimism might drive them to persist, but the different underlying beliefs regarding sources of efficacy and control may distinguish between active and passive coping. In summary, research on consequences of dispositional optimism can benefit from considering not only the overall level of dispositional optimism, but also the underlying belief structure; that is, the configuration of efficacy and control beliefs.

Acknowledgements

The authors thank the associate editor Fergus Bolger, two anonymous referees, Malin Brännbäck, Alan Carsrud, Norris Krueger, Utz Weitzel, Arjen van Witteloostuijn, and the participants of the workshop “Understanding the Entrepreneurial Mind” (Jena, 2008) for valuable ideas and comments on an earlier version of this article. Diemo Urbig gratefully acknowledges the financial support through the Odysseus program of the Flemish Science Foundation (FWO).

References

- Abramson, L. Y., Seligman, M. E., & Teasdale, J. D. (1978). Learned helplessness in humans: Critique and reformulation. *Journal of Abnormal Psychology, 87*, 49–74.
- Ajzen, I. (1988). *Attitudes, personality, and behavior*. Chicago: Dorsey Press.
- Ajzen, I. (2002). Perceived behavioral control, self-efficacy, locus of control, and the theory of planned behavior. *Journal of Applied Social Psychology, 32*, 665–683.
- Anderson, C. R. (1977). Locus of control, coping behaviors, and performance in a stress setting: A longitudinal study. *Journal of Applied Psychology, 62*, 446–451.
- Bandura, A. (1977). Self-efficacy: Toward a unifying theory of behavioral change. *Psychological Review, 84*, 191–215.
- Bandura, A. (1997). *Self-efficacy. The exercise of control*. W. H. Freeman and Company.
- Bandura, A. (2012). On the functional properties of perceived self-efficacy revisited. *Journal of Management, 38*, 9–44.
- Baron, R. A. (2004). The cognitive perspective: A valuable tool for answering entrepreneurship's basic “why” questions. *Journal of Business Venturing, 19*, 221–239.
- Boone, D., & de Brabander, B. (1993). Generalized vs. specific locus of control expectancies of chief executive officers. *Strategic Management Journal, 14*, 619–625.
- Bryant, F. B., & Cvengros, J. A. (2004). Distinguishing hope and optimism: Two sides of a coin, or two separate coins? *Journal of Social and Clinical Psychology, 23*, 273–302.
- Burger, J. M. (1989). Negative reactions to increase in perceived personal control. *Journal of Personality and Social Psychology, 56*(2), 246–256.
- Carver, C. S., & Scheier, M. F. (1991). Unresolved issues regarding the meaning and measurement of explanatory style. *Psychological Inquiry, 2*, 21–24.
- Champoux, J., & Peters, W. (1987). Form, effect size, and power in moderated regression analysis. *Journal of Occupational Psychology, 60*, 243–255.
- Chen, G., Goddard, T. G., & Casper, W. J. (2004). Examination of the relationships among general and work-specific self-evaluations, work-related control beliefs, and job attitudes. *Applied Psychology: An International Review, 53*, 349–370.
- Chen, C. C., Greene, P. G., & Crick, A. (1998). Does entrepreneurial self-efficacy distinguish entrepreneurs from managers? *Journal of Business Venturing, 13*, 295–316.
- Chen, G., Gully, S. M., & Eden, D. (2001). Validation of new general self-efficacy scale. *Organizational Research Methods, 4*, 62–83.
- Cohen, J., Cohen, P., West, S. G., & Aiken, L. S. (2003). *Applied multiple regression/correlation analysis for the behavioral sciences* (3rd ed.). Mahwah, NJ: Lawrence Erlbaum Associates.
- Compte, O., & Postlewaite, A. (2004). Confidence-enhanced performance. *The American Economic Review, 94*, 1536–1557.
- D'Agostino, R. B., Belanger, A. J., & D'Agostino, R. B. Jr., (1990). A suggestion for using powerful and informative tests of normality. *American Statistician, 44*, 316–321.
- Darke, P. R., & Freedman, J. L. (1997). The belief in good luck scale. *Journal of Research in Personality, 31*, 486–511.
- Day, L., & Maltby, J. (2003). Belief in good luck and psychological well-being: The mediating role of optimism and irrational beliefs. *Journal of Psychology, 137*, 99–110.
- Day, L., & Maltby, J. (2005). “With good luck”: Belief in good luck and cognitive planning. *Personality and Individual Differences, 39*, 1217–1226.
- Doeglas, D., Suurmeijer, T., Briancon, S., Moum, T., Krol, B., Bjelle, A., et al (1996). An international study on measuring social support: Interactions and satisfaction. *Social Science and Medicine, 43*, 1389–1397.
- Dohmen, T., Falk, A., Huffman, D., Sunde, U., Schupp, J., & Wagner, G. (2011). Individual risk attitudes: Measurement, determinants, and behavioral consequences. *Journal of the European Economic Association, 9*(3), 522–550.
- Felton, J., Gibson, B., & Sanbonmatsu, D. M. (2003). Preference for risk in investing as a function of trait optimism and gender. *Journal of Behavioral Finance, 4*, 33–40.
- French, J. R. P., Jr., & Raven, B. (1959). The bases of social power. In Dorwin Cartwright (Ed.), *Studies of social power* (pp. 150–167). Ann Arbor: University of Michigan Press.
- Hmieleski, K. M., & Baron, R. A. (2009). Entrepreneurs' optimism and new venture performance. A social cognitive perspective. *Academy of Management Journal, 52*, 473–488.
- Judge, T. A., & Bono, J. E. (2001). Relationship of core-evaluations traits – Self-esteem, generalized self-efficacy, locus of control, and emotional stability – With job satisfaction and job performance: A meta-analysis. *Journal of Applied Psychology, 86*, 80–92.
- Judge, T. A., Bono, J. E., Erez, A., Locke, E. A., & Thoresen, C. J. (2002). The scientific merit of valid measures of general concepts. In J. M. Brett & F. Drasgow (Eds.), *The psychology of work: Theoretically based empirical research* (pp. 55–77). Erlbaum, Mahwah, NJ: Erlbaum.
- Judge, T. A., Locke, E. A., & Durham, C. C. (1997). The dispositional causes of job satisfaction: A core evaluations approach. *Research in Organizational Behavior, 19*, 151–188.
- Judge, T. A., Locke, E. A., Durham, C. C., & Kluger, A. N. (1998). Dispositional effects on job and life satisfaction: The role of core evaluations. *Journal of Applied Psychology, 83*, 17–34.

- Kaniel, R., Massey, C., & Robinson, D. T. (2010). *The importance of being an optimist: Evidence from labor markets*. NBER working paper 16328.
- Karademas, E. C. (2006). Self-efficacy, social support and well-being: The mediating role of optimism. *Personality and Individual Differences*, 40, 1281–1290.
- Keh, H. T., Foo, M. D., & Li, B. C. (2002). Opportunity evaluation under risky conditions: The cognitive processes of entrepreneurs. *Entrepreneurship Theory & Practice*, 27, 125–148.
- Krueger, N. F., & Dickson, P. R. (1994). How believing in ourselves increases risk taking: Perceived self-efficacy and opportunity recognition. *Decision Science*, 25, 385–400.
- Levenson, H. (1974). Activism and powerful others: Distinctions within the concept of internal–external control. *Journal of Personality Assessment*, 38, 377–383.
- Levenson, H., & Miller, J. (1976). Multidimensional locus of control in sociopolitical activists of conservative and liberal ideologies. *Journal of Personality and Social Psychology*, 33, 199–208.
- Litt, M. D. (1988). Self-efficacy and perceived control: Cognitive mediators of pain tolerance. *Journal of Personality & Social Psychology*, 54, 149–160.
- Locke, E. A., & Baum, J. R. (2007). Entrepreneurial motivation. In J. R. Baum, M. Frese, & R. A. Baron (Eds.), *The psychology of entrepreneurship* (pp. 93–112). Mahwah, NJ: Erlbaum.
- Lubinski, D., & Humphreys, L. G. (1990). Assessing spurious “moderator effects”: Illustrated substantively with the hypothesized (“synergistic”) relation between spatial and mathematical ability. *Psychological Bulletin*, 107, 385–393.
- MacCallum, R. C., & Mar, C. M. (1995). Distinguishing between moderator and quadratic effects in multiple regression. *Psychological Bulletin*, 118, 405–421.
- Maltby, J., Day, L., Gill, P., Colley, A., & Wood, A. M. (2008). Beliefs around luck: Confirming the empirical conceptualization of beliefs around luck and the development of the Darke and Freedman beliefs around luck scale. *Personality & Individual Differences*, 45, 655–660.
- Markman, G., Baron, R., & Balkin, D. (2005). Are perseverance and self-efficacy costless? Assessing entrepreneurs’ regretful thinking. *Journal of Organizational Behavior*, 226, 1–19.
- Mielke, R. (1979). *Entwicklung einer deutschen Form des Fragebogens zur Erfassung interner vs. externer Kontrolle von Levenson (IPC)*. Universität Bielefeld.
- Monsen, E., Urbig, D., Renko, M., El Tarabishy, A., & Schjoedt, L. (2010). Explaining entrepreneurial intent and behavior: Moderating effects of efficacy and control beliefs. In Presented at Babson college entrepreneurship research conference, Lausanne, Switzerland, June 9–12, 2010 (summary published in: A. Zacharakis, et al. (Eds.) *Frontiers of entrepreneurship research 2010*, p. 251).
- Peterson, C. (2000). The future of optimism. *American Psychologist*, 55, 44–55.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J.-Y., & Podsakoff, N. P. (2003). Common method bias in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88, 879–903.
- Puri, M., & Robinson, D. T. (2007). Optimism and economic choice. *Journal of Financial Economics*, 86, 71–99.
- Rahim, M. A. (1997). Relationships of stress, locus of control, and social support to psychiatric symptoms and propensity to leave a job: A field study with managers. *Journal of Business and Psychology*, 12, 159–174.
- Rauch, A., & Frese, M. (2007). Born to be an entrepreneur? Revisiting the personality approach to entrepreneurship. In J. R. Baum, M. Frese, & R. A. Baron (Eds.), *The psychology of entrepreneurship research* (pp. 41–65). Mahwah, NJ: Lawrence Erlbaum Associates.
- Rokeach, M. (1972). *Beliefs, attitudes, and values: A theory of organization and change*. San Francisco: Jossey-Bass.
- Rotter, J. B. (1966). Generalized expectancies for internal versus external control of reinforcement. *Psychological Monographs*, 80 (entire issue).
- Rotter, J. B. (1975). Some problems and misconceptions related to the construct of internal versus external control of reinforcement. *Journal of Counseling and Clinical Psychology*, 43, 56–67.
- Schaubroeck, J., Lam, S. S. K., & Xie, J. L. (2000). Collective efficacy versus self-efficacy in coping responses to stressors and control: A cross-cultural study. *Journal of Applied Psychology*, 85, 512–525.
- Schaubroeck, J., & Merritt, D. (1997). Divergent effects of job control on coping with work stressors: The key role of self-efficacy. *Academy of Management Journal*, 40, 738–754.
- Scheier, M. F., & Carver, C. S. (1985). Optimism, coping, and health assessment and implications of generalized outcome expectancies. *Health Psychology*, 4, 219–247.
- Scheier, M. F., & Carver, C. S. (1987). Dispositional optimism and physical well-being: The influence of generalized outcome expectancies on health. *Journal of Personality*, 55, 169–210.
- Scheier, M. F., Carver, C. S., & Bridges, M. W. (1994). Distinguishing optimism from neuroticism (and trait anxiety, self-mastery, and self-esteem): A reevaluation of the life orientation test. *Journal of Personality and Social Psychology*, 67(6), 1063–1078.
- Schweizer, K., & Koch, W. (2001). The assessment of components of optimism by POSO-E. *Personality and Individual Differences*, 31, 563–574.
- Schweizer, K., & Schneider, R. (1997). Social optimism as generalized expectancy of a positive outcome. *Personality and Individual Differences*, 22, 317–325.
- Seligman, M. E. (1992). *Learned optimism*. New York: Pocket Books.
- Siemsen, E., Roth, A., & Oliveira, P. (2010). Common method variance in regression models with linear, quadratic, and interaction effects. *Organizational Research Methods*, 13, 456–476.
- Simon, M., Houghton, S. M., & Aquino, K. (2000). Cognitive biases, risk perception, and venture formation: How individuals decide to start companies. *Journal of Business Venturing*, 15, 113–134.
- Skinner, E. A. (1996). A guide to constructs if control. *Journal of Personality and Social Psychology*, 71, 549–570.
- Solberg Nes, L., & Segerstrom, S. C. (2006). Dispositional optimism and coping: A meta-analytic review. *Personality and Social Psychology Review*, 10, 235–251.
- Spector, P. E. (1997). *Job satisfaction: Application, assessment, causes, and consequences*. Thousand Oaks, CA: Sage Publications.
- Suurmeijer, Th. P. B. M., Doeglas, D. M., Briangon, S., Krijnen, W., Krol, B., Sanderman, R., et al. (1995). The measurement of social support in the “European research on incapacitating diseases and social support”: The development of the social support questionnaire for transactions (SSQT). *Social Science and Medicine*, 40, 1221.
- Suurmeijer, Th. P. B. M. (1982). Social aspects of hemophilia. In C. Th. Smit Sibinga, P. C. Das, & J. J. van Loghem (Eds.), *Blood transfusion and problems of bleeding* (pp. 207–218). The Hague: Martinus Nijhof.
- van Yperen, N. W., & Hagedoorn, M. (2003). Do high job demands increase intrinsic motivation or fatigue or both? The role of job control and job social support. *Academy of Management Journal*, 46, 339–348.
- Weinstein, N. D. (1980). Unrealistic optimism about future life events. *Journal of Personality and Social Psychology*, 39, 806–820.
- Weinstein, N. D. (1989). Optimistic biases about personal risks. *Science*, 246, 1232–1233.