

ONLINE TRANSACTION AND ENTREPRENEURIAL SELF-EFFICACY AS PREDICTORS OF PSYCHOLOGICAL DISTRESS DURING COVID-19 LOCKDOWN

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ABSTRACT: Psychological distress is a state of emotional discomfort associated with stressors or demands that are daily encountered. Reports indicate that during the covid-19 lockdown of the year 2020, not only were businesses distressed, entrepreneurs were also badly affected psychologically. Literature is replete with factors affecting psychological distress in healthcare services, but few have been dedicated to small-scale businesses, more so during the COVID-19 lockdown. This study, therefore, examined online transactions and entrepreneurial self-efficacy as predictors of psychological distress during the COVID-19 lockdown among the entrepreneurs. It was an ex-post-facto study conducted among 476 small business owners (284 male and 192 female, mean age of 29.9, and standard deviation of 7.4) in Lagos State, using a cross-sectional design. Using independent t-test for both, findings of the first hypothesis showed that small scale entrepreneurs that do not make use of online transactions during Covid-19 lockdown scored higher on the measure of psychological distress than their counterparts that use online transaction ($t = -3.02$; $df (474)$; $P < .01$). The second hypothesis showed that small scale entrepreneurs with high self-efficacy scored lower on psychological distress ($t = -5.49$; $df (474)$; $P < .01$). It was recommended that small business entrepreneurs should embrace online transaction as part of the ways to reach out to their customers, and that their work should be redesigned to make working online easy and satisfactory.

Keywords: COVID-19 Lockdown, Entrepreneurial Self-Efficacy, Online Transaction, Psychological Distress.

INTRODUCTION

The rate at which the world system changes was unpredictable that within the twinkling of an eye, the busy roads, airports, and places that were usually crowded like clubs and the marketplaces became empty during the COVID-19 lockdown. Social gatherings were suddenly restricted and everyone became socially isolated, not being able to go about their daily activities in the wake of the pandemic. Since lots of small and large business owners never foresaw this, they were also caught in the web of the Covid-19 consequences. The outcome of the pandemic with its sudden occurrence came with its own mental health issues with many small business owners being psychologically depressed. Psychological distress is a state of emotional discomforts associated with stressors or demands that are encountered daily. Anxiety, stress and depression have reportedly been the most common forms of psychological distress (Bayram & Bilgel, 2008).

According to Xiong et al. (2020), the COVID-19 pandemic poses a threat to mental health worldwide, regardless of a country's status as low, middle, or high-income. This was also supported by Geirdal et al. (2021) who in their studies report that in some western countries, COVID-19 bears a significant impact on psychosocial health including a higher level of emotional distress, low quality of life and well-being, and increased feeling of loneliness. AlAzzam, Abuhammad, Abdalrahim, and Hamdan-Mansour (2021) found that two-third of the students' population sampled during COVID-19 pandemic reported having depressive symptoms and anxiety.

Psychological distress is one of the major factors that characterized individual or group mental health. Mirowsky and Ross (2002), defined it as a state of emotional suffering characterized by depressive symptoms such as (hopelessness, loss of interest and sadness) and anxiety (e.g., restlessness, tense feeling, etc). These symptoms may be linked with physical symptoms such as headaches, insomnia, headaches, and lack of energy that are likely to vary across different cultural settings (Aline, Alain, & Dominic, 2012). In other to survive the time and its unprecedented distress, it is a known fact that some entrepreneur resulted to online transaction for their business.

Online transaction is a payment method in which the transfer of funds or money takes place online over electronic fund transfer. The online transaction process (OLTP) is secure and password protected. The three steps involved in the online transaction are Registration, Placing an order, and, Payment. Online transaction processing (OLTP) is information that facilitates and manages transaction-oriented applications, typically for data entry and retrieval transaction processing. Online transaction is done with the aid of the internet. When a consumer purchases a product or service online, he/she pays for it through an online mechanism. Some small business owners took advantage of this method during Covid-19 lockdown, and till date it is still relevant.

COVID-19 affected business worldwide, Nigeria inclusive. Small-scale businesses and entrepreneurs struggled amid suffocation and total collapse. A small fraction of small-scale business owners took their businesses online while many others could not, perhaps for the wanting of required skills. Although Information Communications Technology (ICT) facilitates economic competitiveness and helps in sustaining long-term economic growth during the pandemic, many business owners could not take their businesses online, hence suffer deep mental health challenges and psychological distress (Talbah et al, 2020).

Bonsaken et.al (2020) measured well-being and psychological distress among the general populace and discovered worse psychological well-being and higher scores of psychological distresses including increased levels of anxiety, depression, and high levels of post-traumatic stress disorder (PTSD) among the sampled population. During the early outbreak COVID-19 flu, Wang et al. (2020) performed a longitudinal study looking at the impact of COVID-19 on mental health in the general population and found stable levels of psychological distress. A replica of the study that makes use of the British sample in longitudinal studies based on the same population before and after the outbreak of COVID-19 concluded that gradual deterioration in mental health occurred after the COVID-19 outbreak (Daly and Robinson 2020).

Obschonka & Stuetzer (2017) asserted that personal factor like entrepreneurial personality accounted for the development and implementation of entrepreneurial intentions. In the same

vein, individual factors among others have been isolated as being important in entrepreneurship sustainability. Specifically, among such factors, self-efficacy stands out in entrepreneurship ability (Alausa, Arogundade & Odunuga, 2016). Previous research indicated that people with high self-efficacy have higher entrepreneurial intentions (Baum & Locke, 2004; Krueger, 2005). Self-efficacy beliefs are cognitions that determine whether health behaviour change will be initiated, how much effort will be expended, and how long it will be sustained in the face of obstacles and failures. Restaurants, bars, entertainment venues, and other types of businesses were being forced to close or run a shift schedule during the lockdown, yet, some individuals were able to excel their business (though using technology) during this period. Past study showed that self-efficacy is related to lower fear of failure and reduced risk perception and enhances start-up intention (Goel & Karri, 2006; Baluku et al., 2019).

However, most studies based on psychological distress during Covid-19 focus were mostly found in the western world and do not address the psychological distress encountered by small business owners during the lockdown. Hence, this study was embarked on to study how online transaction and self-efficacy predict psychological distress among small business owners in Nigeria. Therefore, this study sought to understand the extent that online transaction and self-efficacy influence psychological distress during Covid-19 lockdowns.

Purpose of the Study

The aim of this study is to investigate the predictive influence of demographic variables, online transaction, and entrepreneurial self-efficacy on psychological distress of small business owners during covid-19 lockdown. The specific objectives are as follow:

1. To examine the how online transactions, affect psychological distress during COVID-19 lockdowns.
2. To determine the extent to which entrepreneurial self-efficacy will influence psychological distress among small business owners during COVID-19.

Hypotheses

To achieve the aims and objectives of this study, the following hypotheses were formulated and analyzed.

1. Small scale entrepreneurs that do not make use of online transactions during COVID-19 lockdown will score significantly higher on the measure of psychological distress than their counterparts that make use of the online transaction.
2. Small scale entrepreneurs that score high on a measure of self-efficacy will score significantly lower on psychological distress during COVID-19 lockdown than their counterparts who score low on self-efficacy.

METHOD

Research design

This study adopted the ex-post-facto research design. Online transaction and Self-efficacy serve as independent variables while Psychological distress is the dependent variable.

Settings

This study was carried out among small scale entrepreneurs across two Local Government Areas (Ojo and Surulere) in Lagos State.

Participants

A total number of six hundred (600) participants was selected for the study but four hundred and seventy-six (476) participated. The participants were 284 males and 192 female small-scale entrepreneurs. Participants ages ranges from 19 to 64years; mean age of 29.9, and standard deviation of 7.4.

Sample and Sampling Technique

This study was conducted among small-scale entrepreneurs and participants were selected using the Convenient Sampling Technique. This method affords the researcher to employ any small-scale entrepreneurs that is easily reached.

Instruments

The instruments were built into four sections of a questionnaire as follow:

Section A: This consists of degree of involvement in online transaction during COVID-19 lockdown to be indicated in the demographic section.

Section B: This consists of a 10 item Kessler Psychological Distress scale developed by Kessler and Mroczek (1992). The authors reported a test-retest reliability coefficient of 0.9. It is scored on a 5-point Likert scale which includes All of the time, Most of the time, Some of the time, A little of the time, None of the time.

Section C: This consists of a 21 item Entrepreneur Self-efficacy Scale (ESS) developed by De Noble et al. (1999). The authors reported a test-retest reliability coefficient of .74 for the scale with a 7-point Likert scale which includes Not at all true, Slightly true, Somewhat true, Mostly true, Completely true.

Procedure

The researcher contacted the research participants in their various workplaces and established rapport with them; seek their consent before administrating the questionnaires. The participants were adequately briefed on the need to cooperate with the researcher and were assured of the confidentiality of their response and their right to withdraw from the research at any point. Self-administered method was used to administer the questionnaire, and it took

an average of five (5) minute to complete the questionnaire by a participant. Two months was expended in administering and retrieving the whole questionnaires. Out of six hundred (600) questionnaires that were administered, only four hundred and seventy-six (476) were useful, making a respondent rate of 79%.

Statistics

Data analysis was carried out using Statistical Package for Social Sciences (SPSS V. 20). Hypotheses 1 and 2 were tested with an independent t-test. This is because there is only one independent variable and a single dependent variable.

RESULTS

Hypothesis 1: The hypothesis which stated that Small scale entrepreneurs that do not make use of online transactions during COVID-19 lockdown will score significantly higher on the measure of psychological distress than their counterparts that make use of online transactions was tested using a t-test for independent means. The result is presented in the table 1 below:

Table 1: Summary table of independent t-test showing the influence of online transaction on psychological distress among small business entrepreneurs

	Online Transaction	N	Mean	SD.	Df	t-value	Sig
Psychological Distress	Yes	318	27.47	6.93			
	No	158	29.38	5.54	474	-3.02	<.01

The result on the table showed that there is significant negative influence of online transactions on psychological distress among small-scale entrepreneurs ($t = -3.02$; $df (474)$; $P < .01$). It can be further revealed that small scale entrepreneurs that do not use online transaction score significantly higher on psychological distress than their counterparts who use online transaction. Therefore, the stated hypothesis is thereby confirmed.

Hypothesis 2 which stated that small-scale entrepreneurs that are high on entrepreneurial self-efficacy will score significantly low on psychological distress during the COVID-19 lockdown was tested using a t-test for independent measure. The result is presented in the table 2 below:

Table 2: Summary table of independent t-test showing the influence of Entrepreneurial self-efficacy on psychological distress among small business entrepreneurs

	Self-efficacy	N	Mean	SD.	Df	t-value	Sig
Psychological Distress	Low	240	26.52	5.05			
	High	236	29.72	7.47	474	-5.49	<.01

The result on the table showed that there is significant influence of entrepreneurial self-efficacy on psychological distress among small-scale entrepreneurs ($t = -5.49$; $df (474)$; $P < .01$). It can be further revealed that small-scale entrepreneurs that are high on self-efficacy score significantly higher on psychological distress than their counterparts during the COVID-19 lockdown. Therefore, the stated hypothesis is thereby confirmed.

DISCUSSION

The first hypothesis stated small scale entrepreneurs that make use of online transactions during the COVID-19 lockdown will score significantly lower on the measure of psychological distress than their counterparts that do not make use of online transactions was tested using a t-test for independent measure was confirmed. The findings showed that there is significant negative influence of online transactions on psychological distress among small-scale entrepreneurs. This further is explained that small business entrepreneurs that do not use online transaction were more on psychological distress than their counterparts who use online transaction during COVID-19 lockdown.

The second hypothesis which stated that small business entrepreneurs that are high on self-efficacy will score significantly low on psychological distress was tested using a t-test for independent measure was confirmed. The result showed that there is significant influence of self-efficacy on psychological distress among small-scale entrepreneurs. It further revealed that small-scale entrepreneurs that are high on self-efficacy scored significantly higher on psychological distress than their counterparts during the Covid-19 lockdown. This study confirmed Yin and Hu's (2019) research on food delivery who found that there was significant positive influence of self-efficacy on psychological distress.

Recommendations

The study shows that small scale business owners who adopted online transactions and those who believe more in their ability to perform on their businesses were less psychologically distressed as against their counterparts who didn't. Therefore, it is recommended that small-scale entrepreneurs should embrace online transaction as part of the ways of reaching out to their customers. They should also build their self-efficacy on their job. More so, the owners of small businesses need to appreciate their employees by awarding gifts and prizes to their workers or employees. This will help encourage them to work harder and boost their self-efficacy. Work should also be redesigned to make working online easy and satisfactory.

Limitation

The study has a geographical limitation. Future researchers should conduct their research in other parts of Nigeria to improve the generalizability of the research.

Conclusion

The study was aimed understanding online transaction and self-efficacy as predictors of psychological distress. The hypotheses stated were primarily confirmed, with the result showing that there is significant joint influence of, online transaction, and entrepreneurial self-efficacy on psychological distress among small-scale entrepreneurs during the COVID-19 lockdown; and that online transaction and self-efficacy have independent influences on

psychological distress. Though caution should be taken to generalize the findings of this study because just two Local Government Areas in Lagos State were explored, however, recommendation was made that online transaction and self-efficacy must be embraced by small-scale business entrepreneur for them to really excel in their endeavours.

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