

### KEY COMPETENCIES FOR ENTREPRENEURSHIP

Sarita Verma  
Ph.D Scholar  
Department of Foods & Nutrition  
College of Home Science  
CCSHAU, Hisar. 125004

Vandana Verma trar  
Asstt. Prof  
Department of extension Education and  
Communication management  
College of Home Science  
[vidhuyashvee@gmail.com](mailto:vidhuyashvee@gmail.com)  
CCSHAU, Hisar. 125004

#### **Abstract**

*The process of creating something different with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risks, and receiving the resulting rewards of monetary and personal satisfaction (Hisrich and Peters). The process of identifying opportunities in the marketplace, marshalling the resources to pursue these opportunities and committing the actions and resources necessary to exploit the opportunities for long-term personal gain (Sexton & Bowman-Upton). The creation of a new economic entity centered on a novel product or service or, at the very least, one which differs significantly from products or services offered elsewhere in the market (Curran and Stanworth) emphasize the importance of judgement skills. To support this, they list the derivatives of judgment, identifying within this core competence, the skills required for running a business: systematic information gathering; objective analysis; risk evaluation; opportunity identification alternatives evaluated; decision-maker; implementation strengths; experience.*

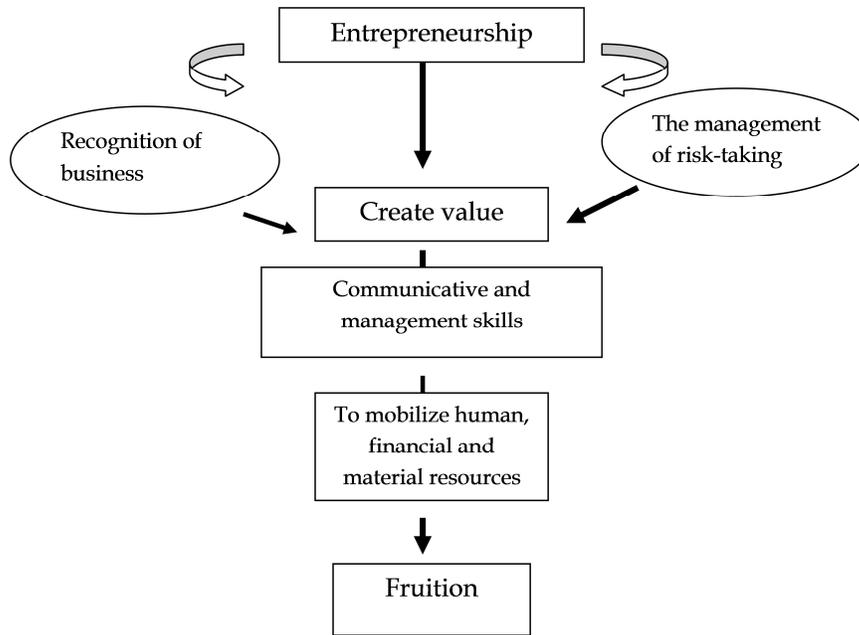
### KEY COMPETENCIES FOR ENTREPRENEURSHIP

**A.H.Cole**, "Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods and services".

Entrepreneurship refers to the **functions** performed by an Entrepreneur in **establishing an enterprise**. In other words entrepreneurship is the act of being an entrepreneur.

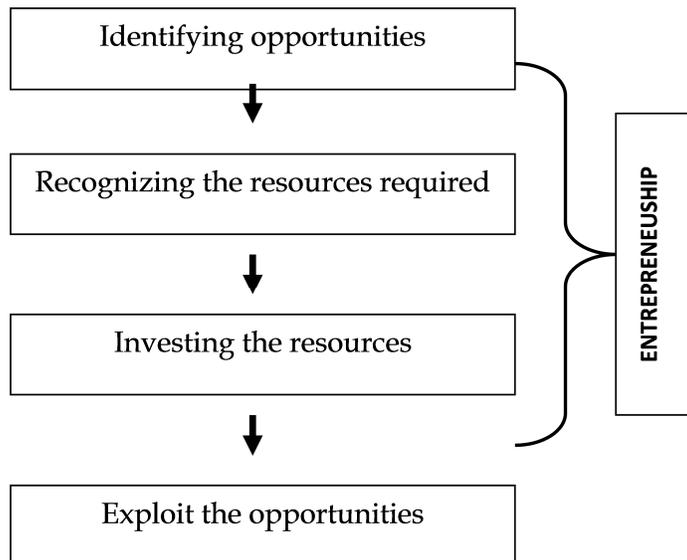
Entrepreneurship is a process involving various actions to be undertaken to establish an enterprise. It is thus process of giving birth to an enterprise.

Entrepreneur + Enterprise = Entrepreneurship



Entrepreneurship is the attempt to create value through recognition of business opportunity, the management of risk-taking appropriate to the opportunity and through the communicative and management skills to mobilize human, financial and material resources necessary to bring a project to fruition. (conference on entrepreneurship held in united states)

Entrepreneurship is a process of identifying opportunities in a market place, recognizing the resources required to pursue these opportunities and investing the resources to exploit the opportunities for long term gains.



The process of creating something different with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risks, and receiving the resulting rewards of monetary and personal satisfaction (Hisrich and Peters, 1998).

The process of identifying opportunities in the marketplace, marshalling the resources to pursue these opportunities and committing the actions and resources necessary to exploit the opportunities for long-term personal gain (Sexton & Bowman-Upton, 1991).

The creation of a new economic entity centred on a novel product or service or, at the very least, one which differs significantly from products or services offered elsewhere in the market (Curran and Stanworth, 1989).

### **Reviews Related to Entrepreneurship and Entrepreneur**

Garland et al. (1984) distinguish between entrepreneurs and small business owners. The former they perceive as capitalising on innovative combinations of resources primarily to achieve profit and growth using strategic management practices. Small business owners on the other hand, operate their businesses as extensions of their individual personalities, with the main aims of furthering their personal goals and generating family income.

Stewart et al. (1999) draw attention to the fact that entrepreneurial or venture teams are becoming more commonplace, citing Timmons (1990) who contends that such arrangements appear to improve the probability of entrepreneurial success. Nevertheless conflict can arise amongst team members if the motives for the new venture appear inconsistent or ambiguous.

Bolton and Thompson (2000a, p. 11) define an entrepreneur as an individual who 'habitually creates and innovates to build something of recognised value around an opportunity'. That being the case, they highlight examples of social and environmental, artistic and aesthetic, as well as business entrepreneurs.

1755, Cantillon	Person bearing risks who is different from the one supplying capital
1803, Say	Separated profits of entrepreneur from profits of capital
1934, Schumpeter	An innovator, developing untried technology
1961, McClelland	Entrepreneur is an energetic moderate risk taker
1971, Shapero	Entrepreneur takes initiative, organises some social and economic mechanisms and accepts risk of failure
1982, Vesper	Entrepreneur seen differently by economists, psychologists, business persons and politicians
1985, Drucker	Entrepreneur maximizes opportunities
1985, Hisrich	Entrepreneurship is the process of creating something different with value by assuming the financial, psychological and social risks, and receiving the resulting monetary/personal rewards and satisfaction
1986, Pinchot	Intrapreneur: an entrepreneur in an established organisation
1996, Kets de Vries	An entrepreneur is an individual who is instrumental in the conception and the implementation of an enterprise

--	--

### **Characteristics of Entrepreneurs**

#### **i) Initiative:**

- All entrepreneur takes action that go beyond job requirements or the demand of the situation.
- Does things before being asked or forced by, the events.
- Acts to extend the business into new areas, products; or services.

#### **ii) Sees and Acts on Opportunities:**

- Looks for and takes action on opportunities.
- Sees and acts on opportunities (business, educational or personal growth).
- Seizes unusual opportunities to obtain financing, equipment, land, work space or assistance.

#### **iii) Persistence:**

- Takes repeated action to overcome obstacle that get in the way of reaching goals.
- Takes repeated or different actions to overcome obstacles:
- Takes action in the face of a significant obstacle.

#### **iv) Information Seeking:**

- Takes action on own-to get information to help reach objectives or clarify problems.
- Does personal research on how to provide a product or service.
- Consults experts for business or technical advice.
- Seeks information or asks questions to clarify what is wanted or needed • Personally
- Undertakes research, analysis, or investigation.
- Uses contacts or information networks to obtain useful information.

#### **v) Concern for High Quality of Work:**

- Acts to do things that meet or beat existing standards of excellence.
- States a desire to produce work of high quality.
- Compares own work or own company's work favourably to that of others.

#### **vi) Commitment to Work Contract:**

- Places the highest priority on getting a job completed.
- Makes a personal sacrifice or expends extraordinary effort to complete a job
- Accepts full responsibility for problems in completing a job for others.
- Pitches in with workers or works in their place to get the job done.
- Expresses a concern for satisfying the customer.

#### **vii) Efficiency Orientation:**

- Finds ways to do things faster or with fewer resources or at a lower cost.

- Looks for or finds ways to do things faster or at less cost.
- Uses information or business tools in improve efficiency
- Expresses concern about costs vs. benefits of some improvement, change, or course of action.

**viii) Systematic Planning:**

- Develops and uses logical, step-by-step plans to reach goals.
- Plans by breaking a large task down into sub-tasks.

**Mcclelland's describes following characteristics of entrepreneurs:**

- a preference for decisions involving risk that is neither very high nor very low;
- a belief that one's efforts will be influential in the attainment of some goal;
- the perception that the probability of success in attaining a goal is relatively high;
- the need for feedback;
- the capacity to plan ahead;
- the desire to take personal responsibility for decisions;
- an interest in excellence for its own sake;
- an interest in concrete results from decisions.

**Schollhammer and Kuriloff defines entrepreneur with following characteristics**

- innovative ability;
- tolerance of ambiguity;
- desire to achieve;
- realistic planning ability;
- goal oriented leadership;
- objectivity;
- personal responsibility;
- adaptability;
- ability as organiser and administrator.

**Carson et al. (1995)** emphasise the importance of judgement skills. To support this, they list the derivatives of judgement, identifying within this core competence, the skills required for running a business:

- systematic information gathering;
- objective analysis;
- risk evaluation;
- opportunity identification;
- alternatives evaluated;
- decision-maker;
- implementation strengths;
- experience.

**McClelland (1987)** reported on a psychological study carried out by McBer & Co. and funded by the U.S. Agency for International Development. The study sought to determine whether there were key competencies required for entrepreneurial success. They devised a method called the Behavioural Event Interview (BEI), which required the respondents to recall critical incidents in the life of the business. Through the BEI nine competencies were identified which were deemed to be more characteristic of the 'successful' than of the 'average' entrepreneur. These nine characteristics were:

- initiative;
- assertiveness;
- ability to see and act on opportunities;
- efficiency orientation;
- concern for quality work;
- systematic planning;
- monitoring;
- commitment to the work contract;
- recognition of the importance of business relationships.

Durham University's General Enterprising Tendency (GET) scale, developed by Caird and Johnson in 1987-88, is applied to the aspiring rather than to the well-established entrepreneur. Based on a review of the literature regarding existing measures of entrepreneurial attributes, Caird (1991) identified five key entrepreneurial characteristics:

- calculated risk-taking;
- creative tendency;
- high need for achievement;
- high need for autonomy;
- internal locus of control.

Timmons (1985) suggests a comprehensive approach to understanding entrepreneurship drawing on both the trait and behavioural ones. He adopts the view that many entrepreneurial traits, skills and behaviours may be developed and acquired, so that the individual's probability of entrepreneurial success can be improved. These Timmons identifies as follows:

- Total commitment, determination and perseverance.
- Drive to achieve and grow.
- Orientation to goals and opportunities.
- Taking initiative and personal responsibility.
- Persistence in problem-solving.
- Verdicical awareness and a sense of humour.
- Seeking and using feedback.
- Internal locus of control.
- Tolerance of ambiguity, stress and uncertainty.
- Calculated risk taking and risk sharing.
- Low need for status and power.
- Integrity and reliability.

- Decisiveness, urgency and patience.
- Dealing with failure.
- Team builder and hero maker.
- Develops plans that anticipate obstacles.
- Evaluates alternatives.
- Takes a logical and systematic approach to activities.

**ix) Problem Solving:** Identifies new and potentially unique ideas to reach goals.

Switches to an alternative strategy to reach a goal.

Generates new ideas or innovative solutions.

**x) Self-Confidence:** Has a strong belief in self and own abilities.

Expresses confidence in own ability to complete a task or meet a challenge.

Sticks with own judgement in the face of opposition or early lack of success.

Does something that he says is risky.

**xi) Assertiveness:** Confronts problems and issues with others directly.

Confronts problems with others directly.

Tells others what they have to do.

Reprimands or disciplines those failing to perform as expected.

**xii) Persuasion:** Successfully persuades others.

Convinces someone to buy a product or service.

Convinces someone to provide financing.

Convinces someone to do something else that he would like that person to do.

Asserts own competence, reliability, or other personal or company qualities.

Asserts strong confidence in own company's or organisation's products or services.

**xiii) Use of Influence Strategies:** Uses of variety of strategies to affect others.

Acts to develop business contacts.

Uses influential people as agents to accomplish own objectives.

Selectively limits the information given to others.

**xiv) Monitoring:**

Develops or uses procedures to ensure that work is completed or that work gets standards or quality.

Personally supervises all aspects of a project.

**xv) Concern for Employee Welfare:**

Takes action to improve the welfare of employees.

Takes positive action in response to employees' personal concerns.

Expresses concern about the welfare of employees.

### **Conclusion**

The process of creating something different with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risks, and receiving the resulting rewards of monetary and personal satisfaction (Hisrich and Peters).

The process of identifying opportunities in the marketplace, marshalling the resources to pursue these opportunities and committing the actions and resources necessary to exploit the opportunities for long-term personal gain (Sexton & Bowman-Upton).

The creation of a new economic entity centered on a novel product or service or, at the very least, one which differs significantly from products or services offered elsewhere in the market (Curran and Stanworth).

### **References:**

- Das, M. (2000), "Women Entrepreneurs from India: Problems, Motivations and Success Factors." *Journal of Small Business & Entrepreneurship*, Vol. 15 No.4 Winter 2000-2001, Pp.67-82.
- Kumar, A. (2005), "Obstacles Faced by Women in Business: A Factor Analytical Study, *Asian Economic Review*, Vol. 47 (3), Hyderabad,December, pp. 457-64.
- Lathwal, S. (2011), "Women Entrepreneurs In India." *International Journal of Research in IT & Management (IJRIM)*, Volume 1, Issue 3 (July, 2011) (ISSN 2231-4334).
- Nayyar, P. (2007). "Causes and Constraints Faced by Women Entrepreneurs in Entrepreneurial Process", *The Journal of Social Science*, 14(2): 99-102.
- Singh, R. & Raghuvanshi, N. (2012) "Women Entrepreneurship Issues, Challenges and Empowerment through Self Help Groups: An Overview of Himachal Pradesh." *International Journal of Management Research and Review*, Jan 2012/ Volume 2/Issue 1/Article No-8/77-90 Issn: 2249-7196.
- Yadav, S.N. and Khambha, K. (2012) "problem faced by boutique entrepreneurs" National Seminar on Scenario of women in Agriculture and Future Projection" Feb. 16-17, 2012, organised by I.C. College of Home Science, CCSHAU, Hisar, Haryana, pp-55.